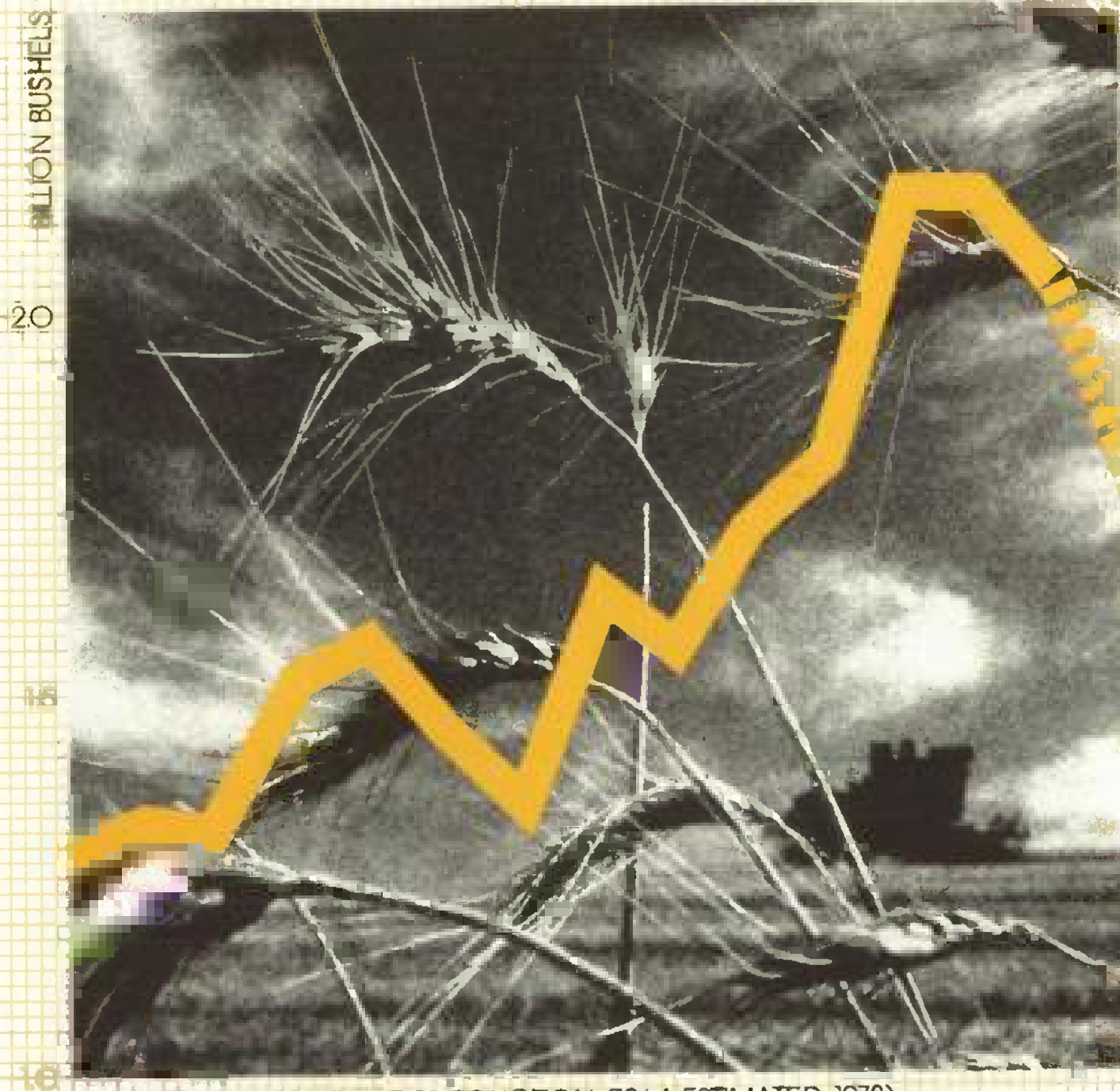


*Albert Donald Sherry*

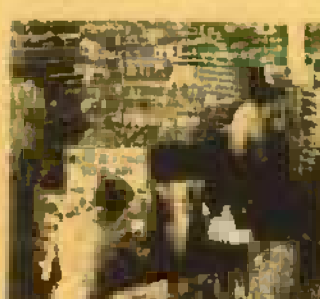
# AGRICULTURAL OUTLOOK

USDA • ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE • AO-35



WHEAT PRODUCTION (1964-ESTIMATED 1978)

AUGUST 1978



## August 1978/AO-35

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## Strong Demand Buoy Farm Income

The U.S. agricultural outlook currently is highlighted by:

... Continuing prospects for much improved farm income situation for calendar year 1978 despite expected moderate seasonal declines in average prices received by farmers during the second half and further increases in prices paid by farmers for production items.

... Moderately smaller total U.S. output of food and feed grains likely than last year's record level but still large by historical standards.

... Total output of meat and poultry rising during the second half of 1978 from the first half but still a little below a year earlier, with increases for poultry, pork, and grain-fed beef not quite offsetting the reduced slaughter of other beef and veal.

... Continued strong export demand for major U.S. field crops in light of only a moderate prospective increase in world crop output and further economic expansion in major world economies.

... Continued strong domestic consumer demand for food and other products of U.S. agriculture resulting from rising employment and income.

... Relatively stable retail food prices during the second half of 1978 in contrast to the first half's runup. Prices for the entire year now appear likely to average close to the upper end of our earlier 8-10 percent forecast range—about a tenth above a year earlier.

### Farm Income Situation Improves

Largely reflecting this year's higher farm product prices, gross farm income in 1978 could rise by about 12 percent to near \$121

billion. Livestock receipts may jump a possible \$10 billion from last year's \$47.6 billion. Crop receipts are forecast to rise to around \$50 billion, led by a 25-percent jump in receipts from soybean sales. Government payments could reach \$3 billion, up from \$1.8 billion in 1977. Production expenses could total \$96 billion in 1978, up from \$88 billion in 1977, with prices paid for production items rising around 8 or 9 percent. Net farm income, excluding inventory adjustment, will be perhaps \$5 billion above 1977's \$20 billion.

### Crop Prospects Perk Up

Midyear farm production prospects point to large crops again this year. While weather delayed plantings last spring, conditions since then have been favorable to crop development. In contrast to last year's widespread dry subsoil conditions, both subsoil and crop moisture supplies are adequate in most areas.

Based on current conditions, overall crop production likely will be down a bit from 1977. However, total output of major field crops should again be large if generally favorable growing conditions continue. Barring big changes in crop conditions, production of food and feed grains in 1978/79 may total 245-250 million metric tons, about 5 percent below last year. The projected variation this early in the season ranges from 230 to 260 million tons.

With larger carryin stocks, current crop prospects would result in total supplies of food and feed grains about the same as in the 1977/78 season. Continued strong exports and moderate increases in domestic use will likely prevent a further sizable buildup in stocks during 1978/79. Moreover, participation in the farmer-owned reserve is reducing commercial stocks and bolstering prices.

Another large increase in soybean acreage

may boost soybean production to a record 1.8 billion bushels this year, but large supplies are needed. Expansion in feeding at home and abroad and the disappointing 1977/78 oilseed crop abroad will stimulate total soybean use and maintain prices during 1978/79. On balance, only a modest increase in carryover stocks seems likely by the fall of 1979.

Cotton farmers are making only a moderate cut in acreage in 1978. This, coupled with larger beginning stocks, will boost total supplies of cotton. Thus, even with expanded use, cotton stocks likely will edge up somewhat again during 1978/79.

### Total Meat Output Holding About Steady

Rising meat prices in recent months have focused attention on the supply of meat and have raised questions about supplies and prices in coming months. Typically, sharp gains in retail meat prices reflect reduced meat production. But the supply-price situation this year is a little different.

First half production of red meat and poultry totaled almost the same as in January-June 1977. A sizable increase in broiler production about offset the reduction in beef output. Pork production held about steady.

Lower feed prices in 1977, along with some price strength for cattle, hogs, and broilers, encouraged livestock and poultry feeders to expand output early this year.

Broiler producers increased output by a sizable 8 percent, putting pressure on the breeder supply flock. This represented a sizable addition to the meat supply.

Cattle feeders marketed 6 percent more



cattle out of feedlots as profits returned to their enterprise. Low prices for feeder cattle last fall and for feed prompted the expansion in cattle feeding.

Return prospects were also favorable in the pork industry, but severe winter weather and disease problems wiped out the expected big expansion in first-half pork production.

Second half meat production likely will continue to run near both first-half and year-earlier levels. As in the first half, broiler production will be up the most—perhaps about a tenth or more. Returns to broiler producers have remained favorable and the hatchery supply flock will permit further sizable increases in output.

The long-awaited upswing in pork production is expected to boost July-December

pork output 2 to 4 percent above 1977 levels, as hog producers try to take advantage of the favorable price situation. However, increases in pork and broiler production will be offset by reduced beef output.

Cattle feeders probably will market moderately more cattle in the second half of 1978 because on July 1 there were 12 percent more cattle on feed than a year earlier. However, slaughter of cows and other cattle marketed directly off grass will be sharply lower. Thus, second half beef production may run 5 to 6 percent less than a year ago.

The reduced cattle slaughter reflects the decline in the cattle inventory in recent years brought on by low prices and dry weather. Cattle producers will likely respond to the higher prices developing this year for feeder cattle and begin to expand their herds

in 1979 or 1980. With reduced cattle numbers and smaller calf crops, beef production will be curtailed sharply once producers begin to rebuild their breeding herds. However, with favorable feed prices, hog and broiler producers likely will continue to expand production in 1979.

### Strong Domestic Consumer Demand

The domestic economy rebounded sharply in the second quarter in contrast to the slight decline recorded for January-March. Real output of goods and services increased at an annual rate of 7.4 percent during the second quarter. In current dollars, the GNP topped the \$2 trillion mark for the first time while reaching \$1,379 billion measured in 1972 dollars. Prices reflected in the implicit GNP deflator, however, jumped

## KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1975	1976	1977				1978				
	Annual	Annual	II	III	IV	Annual	I	II	III	IV	Annual
											Forecast
Prices received by farmers (1967=100) .....	185	186	189	176	179	183	193	213	216	211	208
Livestock and products (1967=100) .....	172	177	174	178	177	176	195	215	226	223	215
Crops (1967=100) .....	201	197	207	174	182	192	192	212	205	198	202
Prices paid by farmers, all items (1967=100) ..	180	191	204	202	202	202	211	218	222	223	219
Production items (1967=100) <sup>1</sup> .....	186	198	211	207	206	208	217	226	230	231	226
Farm production (1967=100) .....	114	117	—	—	—	121	—	—	—	—	—
Livestock and products (1967=100) .....	101	106	—	—	—	108	—	—	—	—	—
Crops (1967=100) .....	121	121	—	—	—	129	—	—	—	—	—
<b>Farm income:<sup>2</sup></b>											
Cash receipts (\$ bil.) .....	88.2	94.5	95.7	91.3	99.6	96.1	102.2	110	107	108	107
Livestock (\$ bil.) .....	43.0	46.2	46.6	47.8	49.5	47.6	52.7	57	58	59	57
Crops (\$ bil.) .....	45.1	48.3	49.1	43.5	50.1	48.5	49.5	53	49	49	50
Gross farm income (\$ bil.) .....	96.9	104.1	106.7	102.7	114.8	108.1	115.8	124	121	123	121
Production expenses (\$ bil.) .....	75.9	83.0	87.0	86.0	91.4	88.0	93.5	97	96	97	96
Net income before inventory adjustment (\$ bil.) .....	21.1	21.1	19.7	16.7	23.4	20.1	22.3	27	25	26	25
Net income after inventory adjustment (\$ bil.) <sup>3</sup> .....	24.5	18.8	20.2	16.8	25.5	20.6	22.3	25	23	23	23
<b>Market basket:<sup>4</sup></b>											
Retail cost (\$) .....	1,876	1,895	1,932	1,948	1,952	1,937	2,028	2,142	2,170	2,180	2,131
Farm value (\$) .....	784	748	749	755	751	749	806	887	880	875	863
Spread (\$) .....	1,092	1,147	1,183	1,193	1,201	1,188	1,222	1,255	1,290	1,305	1,268
Farm share (%) .....	42	39	39	39	38	39	40	41	41	40	40
<b>Retail prices:</b>											
Food (1967=100) .....	175.4	180.8	192.1	194.8	195.4	192.2	201.8	210.5	215	217	211
At home (1967=100) .....	175.8	179.5	190.3	192.7	192.8	190.2	199.9	210.0	215	216	210
Away-from-home (1967=100) .....	174.3	186.1	199.1	202.8	205.4	200.3	210.3	216.9	221	225	218
<b>Per capita food use (1967=100)</b> .....	102.0	105.7	—	—	—	104.6	—	—	—	—	104.9
Animal-products (1967=100) <sup>5</sup> .....	99.7	104.0	101.4	103.6	105.8	103.7	101.1	101.7	103.4	105.0	103.4
Crop-products (1967=100) .....	104.9	107.8	—	—	—	105.7	—	—	—	—	106.8
Agricultural exports (\$ bil.) <sup>6</sup> .....	21.9	22.8	6.2	6.3	5.0	24.0	6.1	6.5	7.9	( <sup>7</sup> )	( <sup>7</sup> )
Agricultural imports (\$ bil.) <sup>6</sup> .....	9.5	10.5	3.6	3.9	3.1	13.4	3.0	3.9	3.4	3.2	13.5

<sup>1</sup> Including interest, wages, and taxes. <sup>2</sup> Quarterly data are seasonally adjusted at annual rates; 1977 and first quarter 1978 data are preliminary estimates. <sup>3</sup> Includes net change in farm inventories. <sup>4</sup> Quarterly data are given at annual rates. 1978 revised to conform with the new Consumer Price Index-All urban. <sup>5</sup> Quarterly data calendar year quarters, i.e. IV 1977 means July-Sept. 1977, I, 1978 means Oct.-Dec. 1977, etc. <sup>7</sup> Recent export strength indicates FY 1978 exports are likely to exceed the current \$255.5 billion forecast. A revised forecast will be available August 17, 1978.

## CHANGES IN REAL GNP

Country	Annual average 1963-73 <sup>1</sup>	Change from preceding year		
		1976	1977	1978
		Percent		
Canada .....	5.7	4.9	2.6	4.5
United States	4.0	5.7	4.9	4.0
Japan .....	10.3	6.0	5.1	5.7
France .....	5.9	5.2	2.7	3.1
Germany, Fed. Rep. .	4.8	5.7	2.5	3.1
Italy .....	4.8	5.6	1.7	2.6
United Kingdom <sup>2</sup> .	2.6	2.3	.8	2.9
Other countries <sup>3</sup> .	4.6	3.5	1.9	2.2
All industrial countries . .	4.8	5.4	3.7	4.0
Seven larger countries <sup>4</sup> .	4.8	5.6	3.9	4.2
European countries . .	4.5	4.5	2.1	2.8

<sup>1</sup>Compound annual rates of change. <sup>2</sup>Gross domestic product. <sup>3</sup>Includes Austria, Belgium-Luxembourg, Denmark, the Netherlands, Norway, Sweden, and Switzerland. <sup>4</sup>As listed separately above. SOURCE: International Monetary Fund.

from the 7.2-percent annual rate of increase in the first quarter to a 10-percent rate in the second.

The economy's output of goods and services is forecast to grow about 4 percent in 1978 and prices may average more than 7 percent higher. Improving employment conditions, with the June unemployment rate down to its lowest point since 1974 and total employment near 95 million persons, will help to stimulate domestic demand for agricultural products.

### Export Prospects Remain Favorable

The pace of U.S. agricultural exports has jumped appreciably this spring after a slow start last fall. The dollar value of exports in March through June was up 21 percent above a year earlier. Volume increased for most major commodities, including soybeans, soybean products, grains, cotton, and tobacco. Fiscal 1978 agricultural exports could total almost a tenth above fiscal 1977's record \$24 billion. Although current prospects favor continued export strength in fiscal 1979, U.S. exports will depend heavily on the progress of crops in major supplying and consuming markets of the world.

The 1978/79 world grain crop (wheat, rough rice, and coarse grains) is expected to increase slightly from the 1977/78 record

crop of 1.32 billion metric tons. Because of a cool spring, Northern Hemisphere crops were planted late. However, moisture supplies have been exceptionally good in most areas, and while there were no major weather problems this summer, there were scattered problems in nonmajor producing areas.

World grain consumption is expected to increase only marginally in 1978/79. Thus, if the anticipated record grain crop is realized, a further small buildup in stocks is possible.

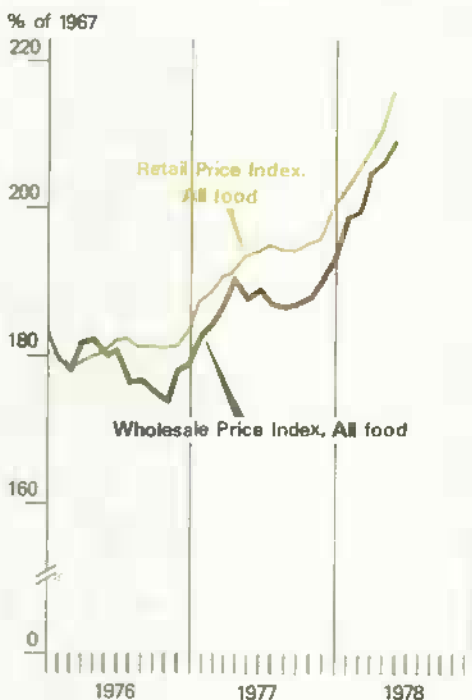
### Food Prices To Stabilize in Late 1978

Retail food prices for all of 1978 now appear likely to average close to the upper end of our earlier 8 to 10 percent forecast range—about a tenth above a year earlier. Most of this year's increase occurred in a first half bulge in meat and fresh produce prices.

Meat and poultry will continue to be more expensive than last year, but costs should be stable or decline slightly by fall. Prices for fresh fruits and vegetables will also decline seasonally by fall, but prices of most other food categories will be climbing slowly during the second half of the year.

The average farm value of U.S.-produced farm foods is expected to average around 15 percent above 1977 and account for about half of this year's food price rise. Higher marketing charges will account for most of the remainder.

### RETAIL FOOD PRICES ACCELERATE



USDA's Economics, Statistics, and Cooperatives Service issues a variety of periodic reports that analyze the economic situation of U.S. agriculture. These reports are free on request unless otherwise noted, and mailing lists are maintained.

If you are interested in receiving any of these reports, you may first want to write for a sample copy. If you find the report contains information you need, you can then ask to be put on the mailing list.

Address all inquiries to Publications Unit, ESCS-Information, Room 0054, South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

**Situation and outlook reports** issued by ESCS are listed below together with brief descriptions of their contents. *Cotton and Wool, Dairy, Fats and Oils, Feed, Fruit, Livestock and Meat, Poultry and Egg, Rice, Sugar and Sweetener, Tobacco, Vegetable, and Wheat.* These commodity reports analyze supply and demand, prices, and outlook for major farm commodities. They include tables and charts presenting current data on production, market movement, stocks, consumption, prices, and foreign trade. Relevant special studies frequently are included. Individual reports generally are issued 4 to 6 times a year.

**Fertilizer Situation**, published at the end of each year. Examines potential fertilizer demand and estimated capacity to produce basic fertilizer materials in the year ahead, analyzes U.S. fertilizer use in the year just concluding. Reviews foreign trade in fertilizer and basic fertilizer materials and discusses economic aspects of foreign trade.

Features historical economic and fertilizer use statistics. Special reports about production, consumption, and distribution of fertilizer prepared for each issue.

**Supply-Demand Estimates**, a tabular series, updates USDA forecasts of the supply-demand balance for major farm commodities. Assessments by an interagency board of USDA experts are released, with a brief commentary, after 3 p.m. on the day following the issuance of major crop production grain stocks, or planting intentions reports by the Economics, Statistics, and Cooperatives Service.

Supply-demand reports present statistics, by crop, covering the balance of supply (production, stocks, imports) for the current marketing season. May indicate the supply-demand balance for one season ahead.



## 1977 Farm Income Review

by Steven Guebert  
National Economic Analysis Division  
Economics, Statistics, and Cooperatives Service

Gross farm income for the Nation's farms totaled \$108.1 billion during 1977, \$4.0 billion above the estimate of \$104.1 billion for 1976.<sup>1</sup> Cash receipts from marketings in 1977 totaled \$96.1 billion with \$47.6 billion from livestock and \$48.5 billion from crops. Also included in the gross receipt total was \$1.8 billion in government payments, \$1.5 billion in other cash income of farm origin, home consumption of farm products, \$1.3 billion, and rental value of farm dwellings, \$7.3 billion. The contribution of these last two items to net farm income is substantially less than for gross receipts because expenses associated with them are deducted in preparing the net farm income estimates.

Production expenses for 1977 totaled about \$88.0 billion, \$5 billion or 6 percent above the 1976 total of \$83.0 billion. This compares with average yearly increases of about 13.5 percent per year over the past 5 years.<sup>2</sup>

<sup>1</sup> Income and expense estimates for the Nation's farms were recently revised for 1975, 1976, and 1977 based on additional data collected in the past year.

<sup>2</sup> Data users should be aware that this expense estimate differs from the results of an annual expenditure survey published each June by ESCS Crop Reporting Board, which put total expenditures for 1977 at \$97.9 billion. Among reasons for differences are handling of outlays for new machinery and buildings and rental payments.

The physical change in farm product inventories was estimated at \$0.4 billion. New information resulted in some realignment of marketings and inventories and—in the case of feed grains—more was consumed on farms where produced than originally assumed.

Combining gross income components, subtracting expenses, and adjusting for the value of inventory change yields an estimated net farm income of \$20.6 billion for 1977. Peaking at \$33.3 billion in 1973, this series dropped steadily to \$18.8 billion in 1976. Last year's upturn can be attributed largely to legislative and administrative policy actions. While total impacts of these policy changes on net income are difficult to quan-

tify, there were direct effects via a \$1-billion-plus increase in government payments, as well as indirect effects via higher commodity loan rates that supported market prices.

Expressed in 1967 dollars on a per farm basis, purchasing power returned in 1976 to the longrun trend existing before the sharp increases of late 1972 and 1973. The series has shown almost no growth during the last 2 years, and 1978 is expected to show only marginal improvement.

Net farm income represents what is left for farm operators as a return on the operator's labor, capital, and management. One means of allocating the net earnings to farmers' resources is given in Balance Sheet of the Farm Sector, issued in June 1978 by ESCS. After imputing a charge for all hours worked at the hired wage rate in agriculture (about \$3 per hour), deducting a management charge of 5 percent on cash receipts, and accounting for interest charges, a residual income to farmers' equity is computed. For the last 2 years, this amounted to about 2½ percent.

Of course, much of farmers' equity represents capital gains rather than initial investment. Thus, the 2½ percent return is not a measure of the return from current earnings on initial capital investment. And clearly, capital gains must be considered in measuring the total return on investment. While capital gains on farm physical assets have exceeded cumulative net farm income since 1960, the gains do not provide an income flow to meet living needs and debt service.

Many farm operator families earn much of their personal income from off-farm sources. Farm operators, and a largely overlapping group defined as people residing on farms, earned nearly 60 percent of their income from off-farm sources during the past 2 years.

### COMPONENTS OF FARM INCOME

	1974	1975	1976	1977
	\$ Bil.			
Cash receipts .....	92.4	88.2	94.5	96.1
Livestock .....	41.4	43.0	46.2	47.6
Crops .....	51.1	45.1	48.3	48.5
Government payments .....	.5	.8	.7	1.8
Home consumption .....	1.3	1.3	1.3	1.3
Rental value .....	4.7	5.4	6.2	7.3
Other farm income .....	1.0	1.2	1.4	1.5
Gross income .....	100.0	96.9	104.1	<sup>1</sup> 108.1
Production expense .....	72.2	75.9	83.0	88.0
Net income, before inventory change .....	27.7	21.1	21.1	20.1
Inventory change .....	-1.6	3.4	-2.4	.4
Net income, after inventory change .....	26.1	24.5	18.8	20.6

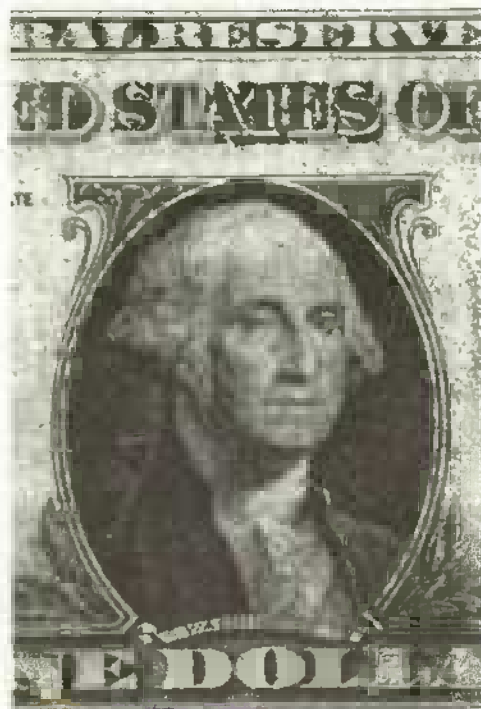
<sup>1</sup> Totals may not add due to rounding.



In 1977 the average income of farm operator families was \$11,600 from off-farm sources and their average net income from farming was \$7,440 before inventory adjustment and \$7,590 after inventory adjustment. Farm operators and residents as a group earned \$18.3 billion from farm sources and \$24.7 billion from nonfarm sources for total personal income of \$43 billion.

The smaller the farm, the more important off-farm income is to the family. Those on farms selling less than \$20,000 in farm products per year average more than 80 percent of total family income from off-farm sources. On the other hand, families selling \$100,000 or more in farm products per year average 20 percent of total income from off-farm sources.

More data on income from farming are available in "Farm Income Statistics," Statistical Bulletin 609, published in July 1978 by ESCS.



## General Economy

The Nation's output of goods and services, adjusted for inflation, increased at an annual rate of 7.4 percent during the second quarter of 1978, and was 4 percent above a year earlier. This compares with a decline of 0.1 percent in the first quarter. Real output in both quarters of 1978 was affected by the coal strike and severe weather. In the first quarter, these factors depressed output; in the second quarter, a rebound added to output. The result was a first-half growth in real output of 3.6 percent.

Real personal consumption expenditures, increased at an annual rate of 6.1 percent during the second quarter with durable goods showing unusual strength, mainly the result of brisk auto sales.

During the first 6 months of 1978, food store sales in current dollars totaled around a tenth above a year ago. Meat demand was especially strong.

Business investment and net exports, registered significant real gains during the second quarter. Outlays for residential investment and government purchases, however, increased more modestly. Government sector outlays were reduced by farmers' redemptions of commodities held by the Commodity Credit Corporation as market prices of these commodities continued to increase. The redemptions are treated as sales and deducted from Federal purchases.

Inventory buildup quickened during the second quarter in response to the high rate of sales. This helped to boost overall economic growth.

## Prices and Incomes Accelerate

Prices, as measured by the GNP implicit price deflator, accelerated in the second quarter to a 10 percent annual rate, up from the 7.2-percent rate of the first quarter and the 5.5 percent during the fourth quarter of 1977.

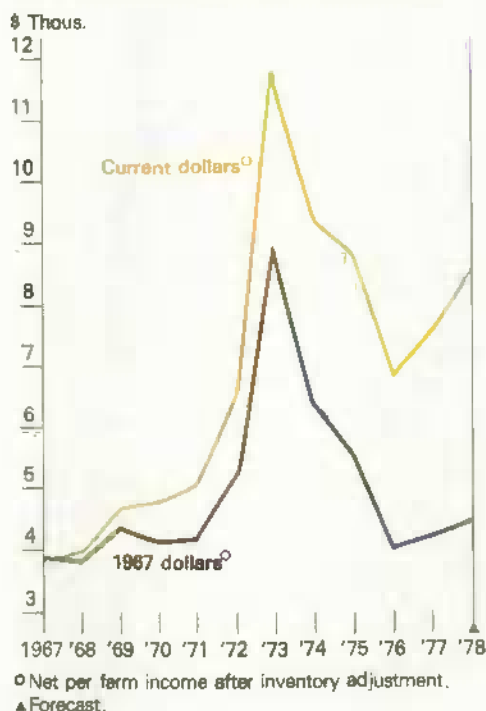
Disposable personal income in constant dollars advanced at an annual rate of 3.4 percent during the second quarter, as employment and real wages increased. On a current dollar basis, including price inflation, the increase was a sizable 12.7 percent. Expanded consumer buying power has given a large boost to the demand for food and fiber this year. Real disposable income per person has been running about 4 percent above a year earlier, reflecting both increases in wages and salaries and the rapid growth in employment.

For all of 1978, U.S. real economic growth is expected to average close to 4 percent, somewhat under earlier expectations but about in line with other industrial nations. At the same time, price inflation has accelerated and overall prices in 1978 are now expected to average more than 7 percent above 1977 levels, compared with the 6-percent increase previously forecast.

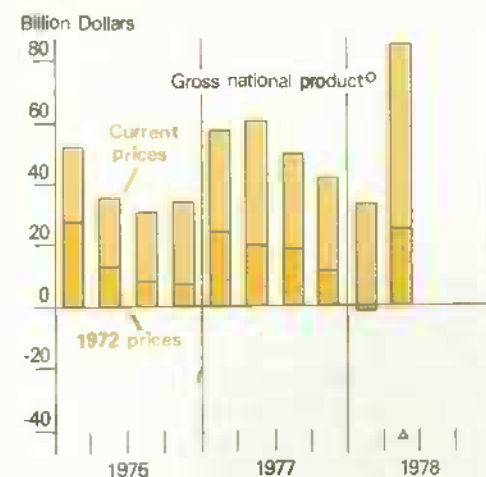
Consumer demand for food is likely to continue strong during the rest of 1978 and into 1979, although rises in food sales could slow from current rates. Economic activity and consumer incomes are expected to expand further, although perhaps at more moderate rates. On the other hand, unemployment rates could hold fairly stable at 5.5 to 6.0 percent through mid-1979.

Ruth Elleson, (202) 447-7643

## INCOME PER FARM IMPROVES SLIGHTLY



## REAL OUTPUT RECOVERS



○ Change from previous quarter. Seasonally adjusted annual rate. △ Preliminary.



## The New CPI: Its Impact on USDA's Food Price Analyses and Forecasts

by Henry Badger  
National Economic Analysis Division  
Economics, Statistics, and Cooperatives Service

The transition to the new Consumer Price Index for all urban consumers (CPI-U), as published by the Bureau of Labor Statistics (BLS) affects a number of ESCS statistical series, including food price forecasts, the farm-food market basket statistics, and all price-spread work for individual products.

In this issue, selected indexes from the new CPI-U are again shown in addition to those from the unrevised CPI. The new series is available monthly from January 1978 to date, while the unrevised series was discontinued with the publication on July 28 of June data. The 6 months of overlapping data allow for comparisons of price movements between the unrevised and new series.

### How the New Index Differs from the Old

The new CPI for all urban consumers is much more inclusive than the old index, covering approximately 80 percent of the total noninstitutional civilian population of the United States.

While BLS also publishes a revised CPI for wage earners and clerical workers (CPI-W), this index represents only about half of the population covered by the CPI-U. USDA plans to use only the CPI-U for analytical and forecasting purposes because of its broader coverage.

The new index is based on price data collected in 85 areas, compared with 56 areas for the unrevised series. The new index also prices a considerably larger range of goods and services, giving a much better representation of the varieties that exist in the marketplace.

For the new and revised CPI's, the selection of each detailed item is keyed to the sales experience of the store in which it is priced. Data collectors work from a list of fairly general categories in selecting the item to be priced over time. The new procedure gives each variety, brand, and size a chance of selection proportional to its importance in total sales for the general category in the particular store. Once selected, the same item is priced over time.

For the unrevised CPI, data collectors selected items conforming to detailed specification, which were basically the same for every store across the country.

Another important change is the time during the month when prices are collected. Food items were essentially priced during

the first week of each month in the unrevised series, but will be priced during the entire month for the new series.

### Impact of the New Index

In the six months since December 1977, when the new CPI was made to equal the unrevised CPI, the CPI-U food-at-home index has risen an average of  $\frac{1}{2}$  percent more than the old index. The food away-from-home index rose even more, 1.2 percent. In addition, price movements between the series also varied widely among foods in both magnitude and direction of change. The switchover from the old CPI to the CPI-U will account for at least  $\frac{1}{2}$  percentage point of the rise in food prices this year.

BLS stopped publishing actual retail food prices for the United States and 23 cities when the unrevised CPI was discontinued. No procedure has yet been developed to derive average retail food prices from price data collected for the new CPI. Once the procedure is developed, BLS plans to again publish average retail prices for a limited number of food items (perhaps 30 to 40 items, versus almost 100 before). However, the new prices will not be comparable with the old prices and separate city prices will not be available—only U.S. averages will be published.

In lieu of actual prices, BLS will continue to publish price indexes for various food components of the new CPI—including all-food, food away-from-home, food-at-home, domestically produced farm food, major food commodity groups, and for 73 individual foods or combinations. However, of these 73 indexes, only 24 are continuous and comparable with the earlier series. The remainder start in December 1977. Indexes for the larger aggregates such as all items and all-food are available for 28 cities. Item detail is shown only in U.S. averages.

The loss of retail food price data directly affects the calculation of ESCS' market basket statistics and price spreads for individual foods, which are derived from retail prices and farm values for individual products. Price spreads for individual foods cannot be computed without retail price information.



From now on, market basket statistics for the total basket, as well as for the major product groups, will be computed from BLS indexes and related to changes in farm values using procedures similar to those used to construct the current basket.

The new market basket will be composed of all domestically produced farm foods selected from those included in the food-at-home index for CPI-U. The market basket will be reweighted and tailored to the new weighing scheme for CPI-U.

ESCS will resume computing and publishing price spreads for individual products when BLS begins publishing food prices again. However, it is doubtful whether future series will be comparable with former series. Only price spreads for Choice beef and pork will be available during the period when BLS retail prices will not be available. Retail prices for these series will be from an ESCS survey of beef and pork prices in chain food stores.

**CHANGES IN CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, SELECTED CATEGORIES**

Categories	Percentage change	
	Dec. 1977 to June 1978	Jan.-June 1978/1977
Meats .....	21.4	15.6
Beef and veal .....	28.6	17.0
Pork .....	12.6	13.8
Other .....	17.8	14.9
Poultry .....	16.1	7.8
Eggs .....	-7.8	-6.6
Fish .....	4.3	11.0
Dairy products .....	4.5	5.2
Fats and oils .....	7.5	10.4
Fresh fruit .....	26.4	14.6
Fresh vegetables .....	28.9	2.8
Processed fruits and vegetables .....	3.9	10.8
Sugar and sweets .....	8.0	12.6
Beverages .....	2.2	13.8
Cereal and bakery products .....	5.6	7.5
Other prepared foods .....	4.5	6.7
Food at home .....	10.4	9.2
U.S. farm foods .....	12.0	8.5
Farm value .....	20.0	14.0
Farm-retail spread .....	6.7	5.1
Imported foods and fish .....	3.6	12.0
Food-away-from home .....	5.6	8.5
All food .....	8.9	8.9
All items less food .....	4.1	6.4
All items .....	4.9	6.8



**Food and Marketing**

Retail food prices for all of 1978 now appear likely to average around a tenth above a year earlier. While price hikes should slow through the remainder of the year, advances were a little stronger than anticipated during the spring months. Consequently, an average increase around the upper end of our earlier 8-10 percent forecast range now seems most likely.

Food shoppers can expect their grocery bills to be much more stable through the remainder of 1978, barring unforeseen weather problems or supply disruptions for important food commodities.

Late spring price declines for meat animals, especially beef cattle, apparently allowed marketing firms to widen margins, which were squeezed when animal prices were rising. Thus, consumers should see more specials at the meat counter this summer.

While meat and poultry prices will remain well above a year earlier, small declines from midyear peaks are expected by fall in response to seasonally larger supplies of pork and poultry.

Fresh fruit and vegetable prices, which also contributed heavily to the first half food price bulge, also are expected to be more stable this summer as higher prices for major fruit items are offset by seasonally lower prices for most fresh vegetables. Produce prices also are expected to decline seasonally by fall with the approach of the harvest season for potatoes, apples and citrus fruits.

Prices in most other major food categories likely will continue to climb at a relatively moderate rate through the second half of the year. Small quarter to quarter increases are expected for dairy products, fish and seafood items, cereal and bakery goods, vegetable oil products, and sugar and sweets. These increases will reflect higher prices for some raw materials as well as higher processing and marketing costs.

Prices for processed fruits and vegetables may rise at a slightly faster rate, reflecting a little tighter supply situation for most items. Egg prices may also climb at a faster rate as they recover from their springtime lows.

Although prices for soft drinks and most other beverages will rise further, coffee prices are expected to continue their descent from last year's peak, barring unfavorable weather. This would hold average beverage prices nearly steady.

Largely on the strength of increases which had occurred by June, third-quarter prices for food at home are presently expected to average around 2 percent above the second-quarter and a little more than a tenth above a year earlier. Since little change is expected between the third and fourth quarters, grocery prices at the year's end likely will remain about 10 or 11 percent above last quarter of 1977, with an average increase for all of 1978 around a tenth above last year.

Meanwhile, prices for away from home eating, which are slower to adjust than grocery store prices, are expected to continue to climb throughout the second half of the year. But, due to their slower rate of increase early this year, away-from-home food prices may end the year a little less than 10 percent above a year earlier.

The average farm value of U.S.-produced farm foods, which rose sharply through the first half of 1978 is expected to decline moderately during the second half. For the entire year, however, the farm value is expected to be up around 15 percent and account for about half of the annual increase in grocery store food prices.

Farm-to-retail price spreads are expected to widen further in the months ahead, reflecting inflationary pressure on food marketing firms. For all of 1978, spreads are expected to average 7 or 8 percent above a

year earlier and account for almost 40 percent of this year's grocery price increase.

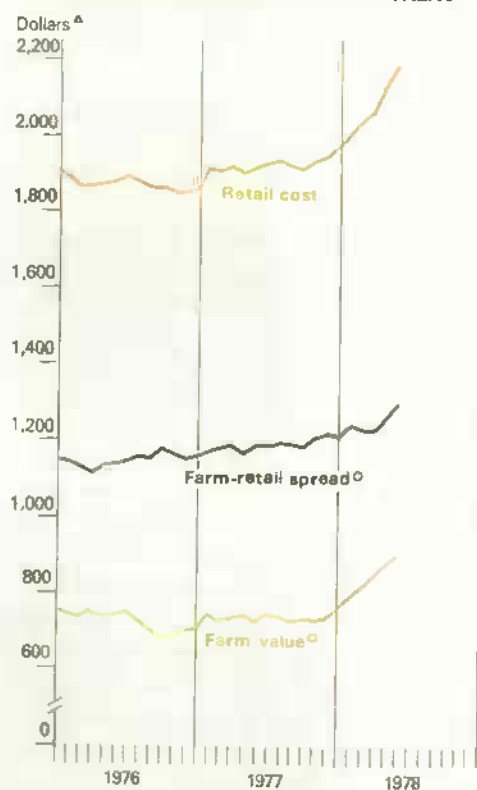
Average prices for imported foods and fishery products, items which do not originate on U.S. farms, are expected to rise moderately despite continuing price declines for coffee. For the year, prices for this entire category of foods may average around 6 percent above last year and account for a little more than a tenth of the annual food-at-home price rise. *Larry Summers, (202) 447-8707 and Henry Badger, (202) 447-8454.*

### 1978 Food Consumption Slightly Above 1977

Per capita food consumption this year may be slightly above last year. Foods originating from animals may show a small decline. However, this will be offset by a 1-percent gain in the consumption of crop foods.

Combined chicken and turkey consumption is expected to total nearly 58 pounds in 1978. This would be a 7 percent increase from 1977. In addition to poultry, small gains are anticipated for eggs, dairy products, and fish. However, these increases likely will be more than offset by the decline indicated for beef.

### FARM VALUE CONTINUES UPWARD TREND



▲ Annual rate per household for market basket of farm foods. □ Gross margin received by marketing firms for assembling, processing, transporting, and distributing. ○ Gross return to farmers for equivalent amounts of farm foods.

The index of per capita consumption for crop foods is expected to rise, mainly due to anticipated gains in consumption of potatoes, vegetables, melons, and vegetable oils. Also small increases are expected for cereals and sweeteners. These gains will be partially offset by declines indicated for fruit and coffee. *Allen Johnson (202) 447-8707.*

### First Half 1978 in Perspective

Grocery store prices rose around 10 percent from December 1977 through June of this year based on the new Consumer Price Index for all urban consumers (CPI-U). Around two-thirds of the rise resulted from higher returns to farmers with the remainder contributed by higher marketing spreads and higher prices for imported foods and fish.

Strong consumer demand in the face of smaller supplies resulted in an almost 30-percent jump in prices for beef and veal this year. This, in turn, contributed to rising prices for the entire meat and poultry complex despite expanding output by broiler producers and a relatively large total meat supply. Modest increases in dairy prices and an 8-percent drop in egg prices resulting from generally ample supplies provided a moderating influence against rising meat prices.

Other moderating influences to the general rise in food prices were provided by beverages as coffee prices continued a gradual decline from December to June.

Fresh vegetable prices have risen around 30 percent so far this year as heavy winter and spring rains interfered with both planting and harvesting in many vegetable producing areas. Smaller supplies boosted fresh fruit prices by around a fourth from December 1977 to June 1978. Prices for apples, oranges, and most small fruit increased rapidly.

Higher meat prices contributed about half of the rise in grocery store prices during the first half of 1978. Fresh fruits and vegetables contributed about a fifth followed by poultry with about one tenth. Moderately higher prices for most other foods accounted for the rest of the rise in grocery prices so far this year. Lower egg prices offered the only offset.

Although grocery store food prices have risen a little more than 10 percent since last December, the average increase for the first 6 months relative to a year earlier is about 9 percent. This reflects the fact that year earlier differences were smaller at the beginning of the year.

### MARKET BASKET OF FARM FOODS<sup>1</sup>

Period	Retail cost	Farm value	Farm-retail spread	Farmers' share
	1967=100			Percent
1970 ...	113.7	114.0	113.5	39
1971 ...	115.7	114.4	116.6	38
1972 ...	121.3	125.0	119.0	40
1973 ...	142.3	167.2	126.5	46
1974 ...	161.9	178.3	151.5	43
1975 ...	173.6	187.2	165.0	42
1976 ...	175.4	178.4	173.5	39
1977 <sup>2</sup> ...	179.2	178.7	179.5	39
1978				
I ...	176.7	183.3	172.6	40
II ...	175.3	182.6	170.8	40
III ...	176.0	178.6	174.4	39
IV ...	173.5	169.1	176.3	38
1977				
I ...	177.1	176.8	177.2	39
II ...	178.8	178.6	178.9	39
III ...	180.3	180.1	180.4	39
IV ...	180.6	179.2	181.6	38
1978 <sup>2</sup>				
I ...	187.7	192.4	184.7	40
II ...	198.2	211.7	189.7	41

<sup>1</sup> Represents all food originating on U.S. farms sold in retail food stores. The retail cost is a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products less allowance for byproducts. The farm-retail spread is the difference between retail cost and farm value. <sup>2</sup> Preliminary.

### No Grades For Ice Cream

USDA has dropped plans for ice cream grades because the public didn't go for the idea. Although many who commented on the proposals did favor the grades, they thought the grades would tell them what ingredients were used in the ice cream. The proposed quality grading system for ice cream developed by USDA would have been based on the flavor, body, texture, and color of ice cream to help consumers identify the various quality levels of ice cream found in retail stores. However, ingredient information will be provided by a Food and Drug Administration labeling regulation which will take effect July 1, 1979.



## Commodities

Large crops are expected again this year, based on midyear farm production prospects. Weather delayed plantings this spring, but conditions since then have been favorable to crop development.

Total acreage planted to major crops for harvest in 1978 may be down around 3 percent from last year. Much larger soybean plantings were offset by reduced wheat, corn and cotton acreages.

Total production of livestock is expected to be down around 1 percent. Larger supplies of broilers and turkeys along with slightly more pork and eggs will not completely offset reduced production of beef and milk.

### Number on Feed Continue Up, Total Cattle Inventory Drops

The inventory of cattle on feed points to continued increases in placements this spring. The July 1 inventory of heifers and heifer calves on feed in 23 States was up 20 percent from a year ago. There were 7 percent more steers on feed. Total on-feed numbers were up 12 percent from July 1, 1977.

Cattle on feed inventories were somewhat larger than anticipated and probably reflect some holding of cattle following the downturn in prices in early June. Marketings from 23 States this spring rose 7 percent versus an expected increase of about 10 percent. The inventory of heavy cattle on feed was 5 percent larger. The number of heifers on feed weighing 900 pounds and over was up 21 percent.

Intended fed cattle marketings for the summer quarter are up 7 percent from a year ago. Fall quarter marketings may be increased about 5 percent. Annually, marketings from the 23 States should increase about 6 percent.

The pattern of fed cattle marketings suggests fed cattle prices in the 54 to 56 cents per pound range through September. Some modest price strength may develop late in the year.

Slaughter of cows and grass fed steers and heifers may be reduced about a third from a year earlier in both the summer and fall quarters. Total beef production may be off about 5 or 6 percent for the second half. This indicates a reduction of 4 to 6 percent is expected for the year.

The midyear cattle inventory was reported at 121.6 million head, 7 percent under last July. Reflecting the smaller

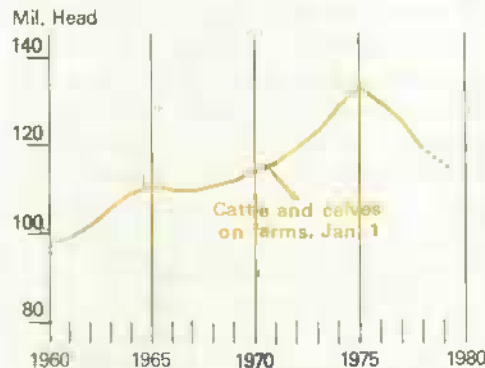
January 1 cow herd, the calf crop was estimated at 44.1 million head, down 4 percent from 1977. If projected slaughter of 44 to 45 million head of cattle and calves is realized, 1978 would be the third consecutive year slaughter exceeded the number of calves born. The January 1, 1979, cattle inventory may be reduced another 5 percent from January this year.

Midyear reductions in the cow herd and the number of replacement heifers point to further cutbacks in slaughter into the early years of the 1980's. There were 9 percent fewer beef cows in the July 1 inventory. Beef replacement heifers were 8 percent fewer. The estimated number of replacement heifers entering the cow herd during January-June was less than 4 million head or about 40 percent of the 9.8 million intended as replacements on January 1. Last year, more than 45 percent actually entered the herd in the first 6 months of the year. Next January's beginning cow inventory may be down about 4 percent and would be the lowest since the start of 1968. Accordingly, another reduction in the 1979 calf crop is likely.

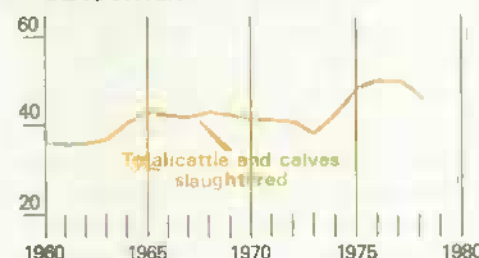
The number of steers and other heifers weighing 500 pounds and over was reduced only 2 percent. This is likely the result of increased calf feeding.

The relatively smaller declines in cattle weighing over 500 pounds on July 1, implies a smaller decline in early 1979 slaughter than previously anticipated. *Eldon Ball, (202) 447-8972*

### CATTLE INVENTORY CONTINUES TO DECLINE . . .



### . . . RESULTING IN SHARP DROP IN SLAUGHTER



### Supply-Demand Conditions Tighten In Dairy Markets

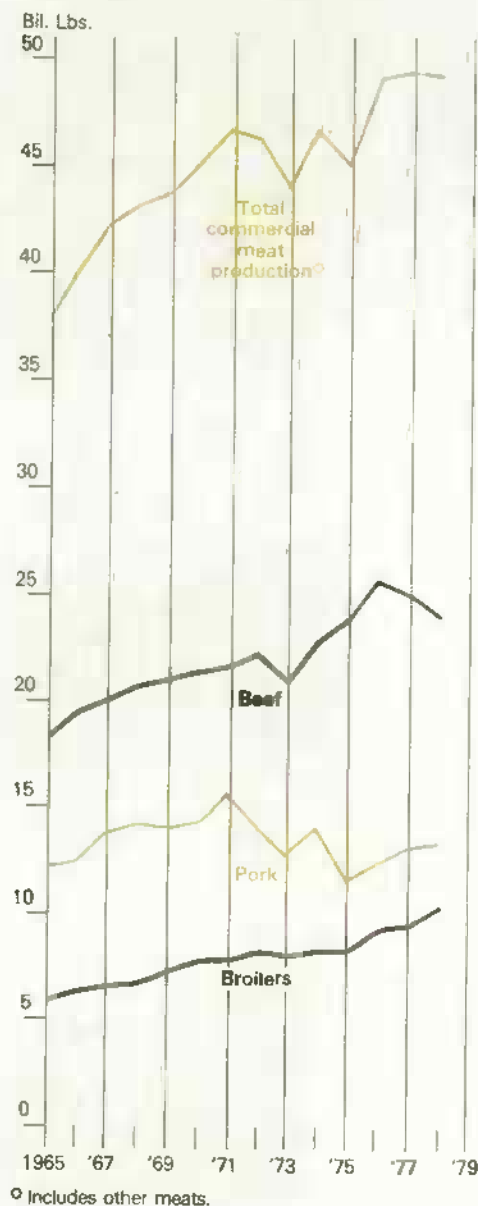
A combination of strong demand, milk production under a year ago, and the current low commercial stocks indicates that wholesale dairy product prices and farm milk prices will move above support prices this summer and rise seasonally further this fall.

Sales of milk and dairy products were up more than 4 percent during the first 5 months of 1978. Improved consumer purchasing power and slower rises in dairy prices than in other retail prices were factors in increased sales from last year's somewhat weak levels.

Improved consumer incomes probably were especially important in the large gains



## BEEF OUTPUT DECLINES AS PORK AND BROILERS RISE



in cheese and nonretail butter use. Higher retail meat prices also aided cheese sales. On the other hand, demand for nonfat dry milk stayed weak this spring. While the rate of increase in dairy sales probably will slow in coming months, demand is expected to remain strong.

Even though income conditions for dairy-men have stayed favorable, milk production has weakened considerably since last fall. The spring declines in milk output from a year ago resulted from sharper declines in milk cow numbers with almost no gain in output per cow. Cow numbers declined more rapidly than last year because of the high slaughter cow prices and much better off-farm employment opportunities. Milk production per cow (particularly in May) probably was affected by the slow pasture growth, but dairymen were also showing restraint in boosting concentrate feeding—even though milk-feed price relationships were favorable.

Pressures for increased herd culling probably will remain in coming months and output per cow probably will recover somewhat. By late this year, milk production is expected to run below last year's accelerating rate of output and for the year, output may be about 1 percent below the 123 billion pounds in 1977.

A brisk demand for American cheese to add to commercial stocks will contribute to wholesale price strength this summer. However, the availability of large USDA stocks of butter at 110 percent of the support purchase price will likely limit price advances and forestall a repetition of the sharp jumps of late 1973 and late 1975.

During May-June, USDA purchased 55 million pounds of butter (down about a

third from a year ago), 20 million pounds of American cheese (down about a half), and 106 million pounds of nonfat dry milk (down a fourth). During the first half of 1978, USDA removed the equivalent of 3 billion pounds of milk from the commercial market, down more than a third from a year earlier.

Sizable government purchases of nonfat dry milk likely will continue. *James Miller, (202) 447-8915*

## Broiler Output Still Headed Up

Broiler meat production this summer and fall likely will be up 10 to 12 percent from a year earlier. Output in federally inspected plants through June totaled 4.9 billion pounds (ready-to-cook), more than 7 percent above the record volume for the same months of 1977. With prospects for large grain and soybean supplies and continued strong demand for meats, broiler producers will hold production well above 1978 levels in coming months and through at least the first half of 1979.

Because of the strong demand for meat, broiler prices have been well above 1977 prices despite much larger production. The nine-city wholesale prices averaged nearly 51 cents a pound for June, 7 cents above a year earlier. They strengthened further in early July and reached 57 cents a pound. Although this may be the high for 1978, prices will probably average around the 50-cents-a-pound level this summer. Prices are expected to decline seasonally this fall and to average in the mid-40's, but still above the 38 cents for October-December 1977. *William Cathcart and Gerald Rector, (202) 447-8801*

## Sizable Gains Seen in Turkey Production

During January-June turkey marketings were up about 6-percent and weights averaged 3 percent heavier due mainly to the shift to fewer light-breed turkeys this year. Turkey production as a result ran about 9 percent above January-June 1977.

## Emergency Feed Program Payments Total \$96 Million

USDA assistance for the first 6 months of the emergency feed program—Oct. 1 through March 31—totaled nearly \$96 million and helped producers purchase up to 10.4 billion pounds of feed (185.6 million bushels, corn equivalent).

Under the emergency feed program, the Secretary of Agriculture may authorize financial aid to farmers when their livestock is threatened by conditions brought on by a natural disaster. Participants may be reimbursed up to 50 percent of the cost for feed purchased during the emergency period. This, however, may not exceed 2 cents per pound in terms of feed grain equivalent.

Turkey meat output during July-December 1978 may be up 4 to 5 percent above year-earlier levels, primarily due to heavier weights.

Turkey producers are expected to respond to this year's excellent profit margins by increasing their breeder flocks for 1979. Production during the seasonally light months of the first half of 1979 will likely be sharply above 1978.

The demand for turkey meat has been very strong in 1978. The New York wholesale price for 8-16 pound young hen turkeys in June average 64 cents a pound, up 16 percent from a year ago despite larger supplies. In coming months, turkey prices will be bolstered by high red meat prices. They may average near the 65 cents a pound level this summer and fall, compared with 60 cents a pound for July-December 1977. *William Cathcart and Gerald Rector, (202) 447-8801*

### **Egg Production Gains To Begin Tapering Off**

Relatively favorable returns to producers in late 1977 encouraged egg production during the first 6 months of 1978 around 3½ percent above a year earlier. A larger laying flock and record high output per hen contributed to the rise. While output per hen will likely remain at record levels in coming months, layer numbers are expected to decline and may average below a year ago this fall. Production will be up 2 to 3 percent this summer but fall's output may not match October-December 1977. Production in the first half of 1979 is expected to about match January-June 1978.

Prices for Grade A large cartoned eggs in New York during April-June averaged about 4 cents below the 58 cents a dozen of the previous year. Prices have strengthened and summer prices may about match the 62 cent level of July-September 1977. Prices are expected to strengthen further this fall and average near the mid-60-cents-a-dozen level. *William Cathcart and Gerald Rector, (202) 447-8801*

### **Noncitrus Crop Down From 1977**

Noncitrus fruit output this year is forecast at about 10 million tons (excluding dried prunes and grapes other than California), off 4 percent from last year. Smaller crops are expected for all fruits

except apples, which early season prospects indicate to be about 7 percent larger.

The smaller noncitrus crop, combined with the seasonal decline in supplies of citrus fruit, will keep grower prices sharply above year earlier levels through this summer. Prices received by growers for all fruit in June averaged 16 percent higher than May and 68 percent above a year ago.

Higher costs for raw products and processing, coupled with generally good demand, have also kept wholesale prices of most processed fruit and juice moderately to substantially above a year ago. Canned fruit prices for example, were averaging 5 percent higher this June than in 1977.

These higher prices for fresh and processed fruit will be reflected at the retail level in the months ahead. *Ben Huang and Jules Powell, (202) 447-7133*

### **Fresh, Processing Vegetable Output Likely Down Slightly**

Despite 3-percent larger acreage, potential output of 14 summer fresh market vegetables is expected to be down slightly this year should yields be equal to the recent historical average.

Among the major crops there are larger acreages of cabbage, corn, lettuce, onions, peppers, and tomatoes. There is moderately less carrots and celery acreage this year. Melon acreage is larger this year, mostly due to more cantaloups and honeydews planted in California.

Fresh market vegetable prices were record high and unusually volatile this past spring. For example, lettuce prices f.o.b. California moved from \$18 per carton of 24 heads to \$3.25 in the short span of 18 days in May, then bounced up to \$13 before the first week of June was over. Winter rains in California and cold February weather in Florida disrupted usual planting activity for several spring harvested crops.

By late June, a more normal vegetable supply pattern was beginning to emerge, though in many instances harvests of many crops were delayed a week or two. Seasonally heavy summer harvest volume started in mid-July, and grower prices have begun to move downward.

Acreage of major processing vegetables is off 1 percent this year. A 13-percent decline in contract tomato acreage and a 3-percent

cut in corn were not offset by increases for other crops.

If average yields are realized, the total contract tonnage will be moderately less this year because tomatoes comprise nearly 60 percent of the volume produced. In turn, this suggests a smaller 1978/79 supply of canned vegetables at moderately higher prices, because the larger carryover cannot be expected to offset the smaller tomato packs to be made this summer and fall.

However, a somewhat different supply picture emerges if tomatoes are eliminated from consideration, leaving the canned and frozen items which compete directly with each other, such as snap beans, peas, corn, carrots, and broccoli. Here, the 1978/79 picture is likely to be one of slightly larger supplies because several packs of certain vegetables stand a good chance of being slightly larger. The combined carryover of these canned vegetables is slightly below that of a year earlier, but the carryover of frozen vegetables is substantially larger.

Even so, any small increases in pack would not imply lower prices in view of sharply increased costs of processing in 1978. Tinplate costs alone have risen about 18 percent over a year earlier. *Charles Porter, (202) 447-8666*

### **Moderately Smaller Summer Potato Crop**

This summer's potato crop, off 4 percent from a year earlier, is one of the smallest of recent record. This smaller crop may keep prices slightly above a year earlier. But relatively large quantities of Norgold Russets, classed as fall potatoes, are moving to market now. This could alter the U.S. summer price prospect to some extent.

And with a smaller supply to market, there likely will be a minimal quantity held over to compete with the important fall crop to be harvested beginning in early September.

If fall crop growers plant according to their intentions and yields are close to the most recent 5-year average, grower prices this fall could be expected to average only a few cents higher than the \$3.11 average for fourth quarter 1977.

Dry edible bean prices have been easing as buyers anticipate larger supplies this fall from a 16-percent larger acreage for harvest. Production last year was the smallest since 1973 because untimely rains reduced harvest in Michigan, the major producing State. *Joseph Podany, (202) 447-8666*

## Large Feed Grain Production and Supply in Prospect

Crop prospects now indicate 1978 U.S. feed grain production may total 192 million metric tons. Of course, weather developments until harvest will be very important in determining actual production. Current prospects suggest an output ranging from 180 to 205 million tons.

If the crop and prospective demands develop about as now expected, the feed grain supply for 1978/79 would be about 236 million metric tons, a little more than the record 1977/78 supply.

Feed grains fed to livestock and poultry may total around 5 percent above the 118 million metric tons in 1977/78. Exports are now expected to total close to the record high of 53 million estimated for in 1977/78 if foreign crops develop as now expected. Such use would about match 1978 crop prospects.

The farm price of corn for 1978/79 is now projected at \$2.10 to \$2.30 per bushel, compared with about \$2.03 in 1977/78. Last year corn prices were unusually low at harvest—when much of the crop was sold—because the record-large output strained the marketing system. Also, transportation problems and a dock strike made for more difficulty than usual in moving the crop

through marketing channels. Prices strengthened markedly later in the year.

The situation is somewhat different this year. The loan program available to feed grain program participants, and the prospective smaller 1978 crop, should limit the price drop at harvest and add strength afterwards. *George R. Rockwell, Jr. (202) 447-8636*

## Wheat Prices Bolstered by Prospective Production Cut

Growers' acreage adjustments in response to the set-aside and graze-out programs, low 1977 wheat prices, and adverse weather in some areas indicate that the 1978 wheat crop will drop below the 2-billion-bushel level for the first time in 3 years. As of July 1, the new crop harvest was forecast at 1.8 billion bushels, 11 percent below last year's level. With the winter wheat harvest near completion, the July forecast is a good indication of the final crop, with 2 out of 3 chances that the final crop will not differ by more than 70 million bushels.

If crops develop as now expected, total wheat supplies for the 1978/79 marketing year will be 5 percent below last year's historic high of 3.1 billion bushels. Combined hard wheat supplies are projected about 2 percent below 1977/78, while soft wheat supplies may run 20 percent lower.

This year's wheat food use is projected to be around 565 million bushels, down from the record 569 million bushels in 1977/78. Higher wheat prices may tend to limit gains in domestic food use. Also, feed use of wheat is expected to be half last year's nearly 200 million bushels based on summer wheat prices being well above feed grain prices in most areas.

Early expectations point to another good export season but U.S. exports will depend heavily on weather conditions this summer and fall and the outcome of world grain crops. At this time exports may exceed a billion bushels for the sixth time in the last 7 years. U.S. wheat exports for 1978/79 are currently projected to range around 1.1 billion bushels, about matching last season's 1,124 million bushels. Although world trade

is expected to ease somewhat from last year's record, increased U.S. sales to Latin America, Asia, Eastern Europe and to the People's Republic of China seem likely. Exports are expected to encounter increased competition when new crop supplies become available in competing countries.

Early season supply-use prospects suggest the 1978 harvest is about in balance. Accordingly, year-end wheat stocks may hold around the 1.1-billion-bushel level of the past 2 years.

Despite a large supply of old-crop wheat on hand, prices held at high levels as the harvest moved into full swing in June and July. Generally, market prices were running 70 to 80 cents per bushel higher than earlier levels. This was caused by concern over crop prospects, a lagging harvest, extremely light farmer selling, and heavy export shipments. Further, the large stocks outstanding under loan and farmer-held reserve inventories (over half of June 1 stocks) have been factors in pricing. Another factor has been the surge in farm bin construction in the wheat belt which will do much to relieve the traditional harvest rush and encourage orderly marketing by spreading the crop movement over a longer period.

However, as the size and quality of the 1978 crop becomes apparent and the large supplies dominate the market, there is likely to be downward pressure on wheat prices. Season-average farm prices in 1978/79 are projected to range \$2.70 to \$3.25 per bushel, considerably above last year's \$2.31. *Allen Schienbein, (202) 447-4997*

## Larger Soybean Crop Foreseen

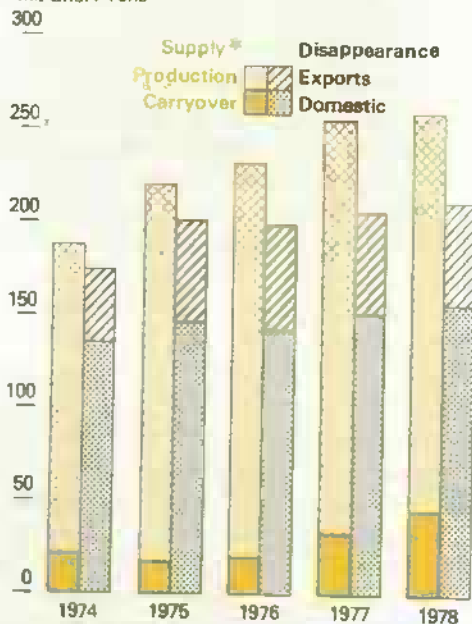
Plantings this year were reported at a record 64 million acres, up 9 percent from the previous high of 59 million in 1977. About 5 percent of the 1978 soybean acreage will be planted following the harvest of another crop—primarily wheat. Eight percent of last year's soybean acreage was double-cropped.

Because the 1978 planting season was wetter than usual and seeding was delayed, the outcome of this year's soybean crop will depend on growing conditions in late July and August. Current acreage and yield prospects suggests 1978 output in a range of 1.7 to 1.9 billion bushels.

Only modest increases are expected in U.S. soybean crush and exports during the

## 1978 FEED GRAIN SUPPLY BOOSTED BY LARGE CARRYOVER

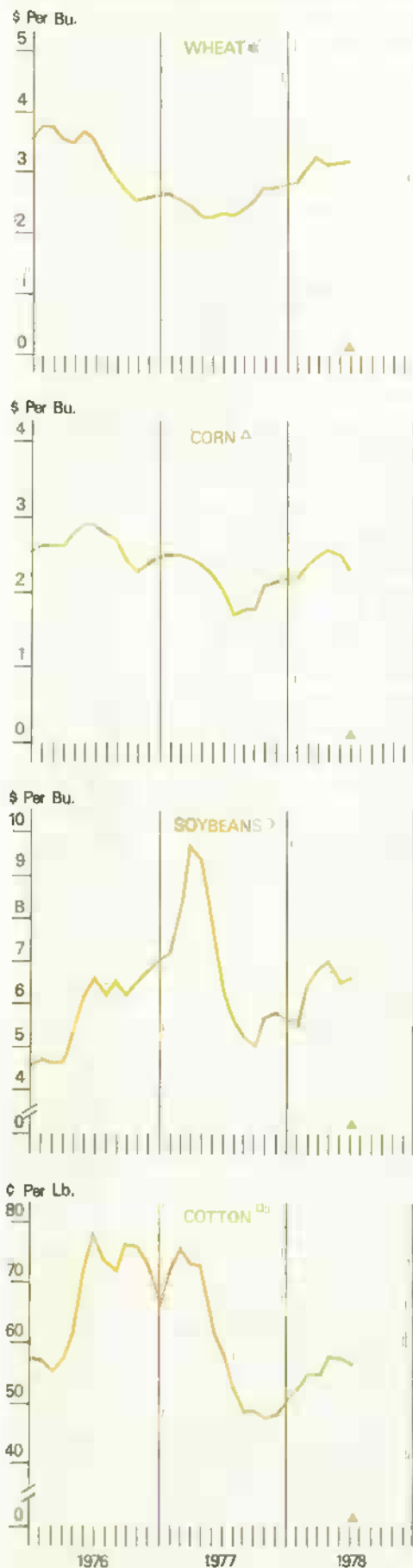
Mil. Short Tons



Year beginning Oct. 1 for corn and sorghum; July 1 for barley and oats. \*Includes imports.



## CROP PRICES BEGIN TO LEVEL OFF



\* No. 1 Hard Winter, Kansas City. ▲ No. 2 Yellow, Chicago. ○ No. 1 Yellow, Chicago. □ Spot Market, 1-1/16" SLM. ▲ Average through July 24.

1978/79 marketing year. Best estimates now suggest use around 1.8 billion bushels. However, a large Brazilian crop would provide stiff competition in the latter half of the U.S. marketing year—which could hold total use near the 1.7 billion bushels expected for the current season.

Farm prices projected for the 1978 crop range from \$5 to \$7 per bushel, around the season-average price for the 1977 crop. However, depending upon the level of U.S. soybean production and the strength of world demand for oilseed products, prices could drift toward \$5 per bushel should demand prove sluggish or approach the \$7 level should demand prove stronger.

Unprecedented world demand and smaller-than-expected oilseed production in some parts of the world are pushing U.S. soybean disappearance this season to record levels of around 1.7 billion bushels, leaving carryover stocks this coming September at around 125 million bushels. Although slightly above last September's 103 million bushels, minimum pipeline stocks are indicated. New-crop soybeans are not available in volume until October. *Stanley A. Gazelle (202) 447-8444*

### Cotton Production/Use in Close Balance

Cotton production is likely to range between 11 to 13 million bales, down from last season's 14.4 million. However, since domestic stocks increased sharply during 1977/78—from 2.9 to 5.6 million bales—1978/79 supplies could range from about 16.5 to 18.5 million bales, compared with 1977/78's 17.3 million.

Exports are the bright spot in the cotton situation. With forward sales already in excess of 3 million bales, shipments during 1978/79 could easily match 1977/78's total of 5.5 million.

Factors in the strong foreign demand for U.S. cotton include plentiful U.S. supplies, less aggressive export marketing by foreign cotton producing countries and for some countries, the decline of the U.S. dollar.

Domestic mill use could increase slightly in 1978/79 if raw cotton production should

fall in the upper end of the 11-to-13-million-bale range. Otherwise, mill use could drop again. Mill use weakened throughout 1977/78 due to an oversupply of denim fabric and heavy inflows of foreign textiles. For the season, mill use totaled about 6.5 million bales, down from 6.7 million in 1976/77.

Spot market prices were holding steady at 56-57 cents per pound (strict-Low-Middling 1-1/16 inch cotton) in mid-July, little changed from year-earlier levels but 6 or 7 cents a pound higher than January prices. *Sam Evans. (202) 447-8776*

### Tobacco Production Equals Use, Prices Up

Disappearance of U.S. tobacco in 1978/79 is likely to remain near the 1977/78 level of 1.9 billion pounds. Domestic cigarette use will likely hold fairly steady, but cigarette exports are slated to increase slightly. Because the support level is up about 6.5 percent, 1978/79 tobacco prices and tobacco farm cash receipts will exceed 1977/78 and may set a record.

Exports during January-June were about the same as last season as increases for burley offset declines for flue and fire-cured tobaccos. As of July 1 conditions, the 1978 flue-cured crop was forecast at 1,153 million pounds, slightly larger than last season. After 7 days of sales the average flue-cured price was up 45 cents to \$1.31 per pound. The early marketings were of much better quality than the 1977 crop. Less than 2 percent was placed under loan. *Richard Hall and Robert H. Miller (202) 447-7290*

### August Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Wheat	August 2
Vegetable	August 4
Livestock and Meat	August 11
Ag Supply and Demand	August 11
Export Outlook	August 17
Cotton and Wool	August 31

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.



## Grain Storage Capacity: Do We Have Enough?

by Floyd D. Gaibler  
National Economics Analysis Division  
Economics, Statistics, and Cooperatives Service

From the start of the winter wheat harvest in June to the windup of the feed grain and soybean harvests in December, on- and off-farm storage capacity usually is at a premium.

Last year, record supplies of wheat, feed grains, and soybeans—coupled with slack export demand—caused spot shortages of storage capacity to occur throughout producing areas. And low bid prices further aggravated the storage problem by prompting farmers to hold grain off the market.

In response to this situation, farmers have expanded their on-farm storage and drying capacity considerably and the USDA's farm facility loan program offers low downpayments and interest rates which have provided farmers added incentives to increase storage and drying capacity. During 1977, USDA loans were made to build structures with storage capacity totaling 513 million bushels. Based on a recent ASCS grain storage capacity survey, total U.S. farm storage is estimated at 9.9 billion bushels.

To determine if shortages of storage capacity are likely to occur again this year, storage capacity and needs were analyzed for 20 major wheat, feed grain, and soybean producing States.

These 20 States accounted for 86.5 percent of U.S. commercial (off-farm) grain storage capacity as well as 86.9 percent of estimated total U.S. on-farm storage capacity.

July 1 and December 1, which approximate the peaks of wheat, feed grain, and soybean harvests, were used to analyze grain storage needs. Grain storage requirements were estimated for the above periods based on projected 1978 crop production, June 1 stocks, and estimated disappearance.

Commercial grain storage was adjusted to remove export elevator capacities from the total since export elevators rarely serve as long-term storage warehouses. Also, river elevator capacities were excluded since their functions are primarily loading and unloading grain with storage capacity serving chiefly as a temporary holding facility. Export elevator capacity for the 20 States amounted to only 249 million bushels, while storage capacity of river elevators totaled 261 million bushels or 8.1 percent of total off-farm storage capacity.

On-farm storage capacity was measured on the basis of a recent inventory of on-farm grain storage facilities. For the 20 States, total on-farm capacity amounted to over 8.6 billion bushels.

Estimates of on farm capacity derived from the 1974 Census of Agriculture, which totaled 5.3 billion bushels for the 20 States,

### ON-FARM STORAGE NEEDS AND CAPACITY<sup>1</sup>

State	Implied on-farm storage needs <sup>2</sup>		Storage capacity maximums		Implied on-farm storage deficit <sup>3</sup>	
	July 1, 1978	Dec. 1, 1978	On-farm stocks	1974 Census	July 1	Dec. 1
	Million bu.					
Kansas .....	0	48	203	264	—	—
Oklahoma .....	20	0	42	69	—	—
Texas .....	0	0	77	104	—	—
Nebraska .....	0	558	579	485	—	—
Washington .....	0	0	45	43	—	—
Iowa .....	37	1,062	1,083	998	—	—
Illinois .....	0	717	817	716	—	—
Ohio .....	0	325	255	210	—	70
Minnesota .....	245	833	749	583	—	84
North Dakota .....	62	299	558	463	—	—
Montana .....	35	154	195	177	—	—
Colorado .....	0	55	83	86	—	—
Missouri .....	0	221	211	233	—	—
Kentucky .....	0	62	105	66	—	—
Tennessee .....	0	0	42	37	—	—
Arkansas .....	0	0	26	41	—	—
Michigan .....	0	134	131	118	—	3
Indiana .....	0	379	426	341	—	—
North Carolina ..	0	57	72	67	—	—
Wisconsin .....	70	282	260	235	—	21
Total .....	469	5,567	5,959	5,324	—	178

<sup>1</sup>Preliminary. <sup>2</sup>1978/79 crop production plus June 1 stocks less consumption to date indicated less commercial storage space less export elevators available. <sup>3</sup>Computed as implied on-farm storage needs less maximum on-farm stocks level or census estimate (whichever is larger). Negative values omitted.

were also used as a capacity measure. The larger of the two measures was used to determine any shortage of on-farm storage.

### **The Situation at Midyear: Space Available**

U.S. grain and soybean stocks on farms as of June 1 were up 27 percent over last year, while off-farm stocks increased 17 percent.

Commercial storage capacity as of mid-July totaled 6.6 billion bushels, about 300 million bushels above last year. Roughly 44 percent of the commercial capacity was being utilized, down from 48 percent a year earlier.

While space was available nationally, six of the 20 States were holding stocks on July 1 that exceeded their individual commercial storage capacity, implying on-farm storage needs. However, on-farm storage capacity in the six States seem adequate, since collectively the States required only 469 million bushels of on-farm storage capacity, which did not exceed individual on-farm measures.

Several reasons account for the apparent lack of any current shortage of grain storage capacity. First, disappearance of grains and soybeans is running well ahead of last year, the result of brisk export demand and increased domestic use of feed grains and soybeans. Utilization of grains and soybeans (as measured by changes in total stocks) in the 20-State total currently is almost 15 percent higher than a year ago.

Secondly, most 1978 crops, particularly wheat, apparently will be down somewhat from 1977. Total estimated crop production for the 20 States as of July 1 was down almost 4 percent from this time last year.

Third, the winter wheat harvest was slowed by inclement weather, which tended to moderate the large surge of harvested grain to storage and marketing facilities.

Finally, the big increase in commercial and on-farm capacity in the past year has apparently absorbed the large June 1 wheat carryover and, together with the above developments, may have offset the need for additional available grain storage at midyear.

It should be noted that these estimates were made at the State level and that localized shortages of grain storage capacity are likely to occur.

### **Storage Situation To Tighten By Yearend**

Total supplies (production, carryover and imports) of wheat, feed grains and soybeans for 1978/79 are projected at 15.0 billion bushels, up slightly from 14.9 billion in 1977/78. Since grain and soybean harvests do not occur simultaneously, grain storage requirements will not equal the total supply at any one time.

After the major portion of feed grains and soybeans are harvested, the majority of States will need more storage capacity than is available commercially.

Fifteen of the 20 States (Kansas, Nebraska, Iowa, Illinois, Ohio, Minnesota, North Dakota, Montana, Colorado, Missouri, Kentucky, Michigan, Indiana, North Carolina, and Wisconsin) will require a total of 5.6 billion bushels of on-farm storage, about 3.1 billion less than the estimated total on-farm capacity of the 20-State total.

Only one of these fifteen States, Ohio, had on-farm storage needs in excess of its estimated on-farm capacity. For Ohio, this implies a possible on-farm storage deficit of about 34 million bushels. While the neighboring States of Michigan, Indiana and Kentucky have sufficient capacity to absorb the Ohio deficit, the opportunity to utilize it would probably be limited.

Overall, it appears that grain storage capacity will be sufficient to meet 1978/79 needs, although local shortages inevitably occur every year. And a sharp increase in crop production estimates or a drop in grain and soybean utilization could result in spot shortages of storage capacity, particularly in view of the continuing railcar shortage, which has forced some local elevators to pile grain on the ground.

### **Land Lost To Cities Frequently Cropland**

Urban development claimed about 17 million acres of rural land between 1967 and 1975 according to a report recently released by the U.S. Department of Agriculture. Another 7 million acres of rural land were inundated by water in ponds, lakes, and reservoirs during the 8-year period. About one-third of this land was cropland at the time it was converted.

The study also reported that:

—Of the lands converted to urban and other uses during the 8-year period, about 8 million acres were "prime farmland";

—Croplands in the Northeast, Appalachian, Pacific, and Lake States are most likely to be threatened by other uses in the future;

—About 111 million acres not now in crops have high or medium potential for conversion to cropland if needed. Only 34.9 million acres, however, can be converted without applying conversion practices to avoid soil erosion hazards or water disposal problems.

Copies of "Potential Cropland Study" (Statistical Bulletin No. 578) are available from the Office of Governmental and Public Affairs, room 502-A, USDA, Washington, D.C. 20250.

### **More Land Could Be Converted To Crop Use**

A decade of losses of U.S. cropland to urbanization, highway and reservoir construction and other uses could be recouped by bringing into production undeveloped land with good potential for cultivation, according to a recent USDA report.

Recent department studies have identified 15 million acres of high potential land with no limitation to development which could be converted to crop production. Between 1967 and 1975, 4.5 million acres of prime farmland actually in crops were lost to urban and water uses. However, the proportion of Class I and III (high quality) land actually cropped increased slightly from 83 to 86 percent during the period.

For a free copy of "A Perspective on Cropland Availability," AER-406, write ESCS Publications, rm. 0054-S, USDA, Washington, D.C. 20250. Please indicate your zipcode.





## Inputs

Improved farm commodity prices and a better income situation for farmers will encourage an increase in fertilizer use during 1978/79. Domestic consumption should be up 4 to 5 percent over the July-June 1977/78 season. Nitrogen, phosphate, and potash use will be up about the same percent.

Even with no increase in 1979 plantings, the outlook for stronger commodity prices should encourage farmers to apply fertilizer at rates equal to or above those for the past season.

Total domestic fertilizer use for the 1977/78 fertilizer year declined an estimated 3 to 4 percent from a year earlier, the result of an unfavorable early season outlook for commodity prices and an acreage cutback because of the reintroduction of set-aside programs.

Here are some highlights of the fertilizer situation in the past season and the outlook for 1978/79:

**Nitrogen Fertilizers:** Farmers used about 3 to 4 percent less nitrogen in 1977/78 than the record 10.6 million tons of 1976/77. However, use of nitrogenous fertilizer is expected to rebound in 1978/79, and could even set a new high. With more favorable crop prices and income prospects in 1979 farmers will again apply generous amounts of nitrogen fertilizer.

During the 1977/78 fertilizer year the nitrogen sector of the fertilizer industry was plagued by excess capacity. For example, although production capacity of anhydrous ammonia was up 16 percent from a year earlier, actual production in April was running only about 6 percent ahead of a year earlier.

The excess capacity plus the soft demand caused inventories to balloon. Inventories of nitrogen in April 1978 were up 143 percent from a year earlier, rising from over 1.2 million tons of nitrogen to about 3.0 million tons.

The weakness in demand, huge inventories, and lateness of the fertilizer season caused anhydrous ammonia producers to idle about 2.5 million tons of production capacity by May. This idling was reflected in production figures in February and March where output fell below that of a year earlier. In normal years, manufacturers are operating at full capacity during this season.

Reflecting the large supplies, prices of anhydrous ammonia dropped significantly in 1977/78 to about \$85 per ton for Gulf Coast producers, compared with \$115 a year earlier. But prices to farmers were only slightly below those of a year earlier.

Nitrogen fertilizer prices should make a small recovery in 1978/79 as the improved demand picture and adjustments in supply add strength to prices. However, price hikes should be modest because of existing large inventories that have to be worked through the system, the availability of excess domestic production capacity, and the availability of nitrogen fertilizer imports from Canada, Mexico, and other countries.

Consumption is expected to be around 11.0 million tons in 1978/79.

While some plants still have long-term contracts to buy natural gas—the basic ingredient of nitrogen fertilizers—at prices as low as 20 to 25 cents per thousand cubic feet, these contracts are expiring. New sources of gas will cost from \$1.50 to \$2.00

and perhaps as high as \$2.80 per thousand cubic feet. The higher cost of gas in a ton of anhydrous ammonia could increase from \$8 to \$14 to as much as \$80 to \$90 per ton. With ammonia selling at \$80 on the Gulf Coast, some capacity must be shut down because it cannot compete.

In the long run, major price increases for ammonia must be expected as gas prices rise. However, increased competition from imports, particularly from the USSR and Mexico, will tend to keep prices from rising rapidly.

Domestic urea and ammonium nitrate facilities probably will continue to operate, but will purchase increasing quantities of imported ammonia as domestic natural gas prices increase.

**Phosphate fertilizer:** Phosphate use, like nitrogen, edged down about 3 to 4 percent to about 5.4 million tons in 1977/78.

As in the case of nitrogen, gains in production capacity outstripped actual output. Wet-process phosphoric acid capacity rose about 6 percent, about 9.4 million tons, versus a 2-percent hike in actual output. Inventories in April 1978 were up about 15 percent from a year earlier. Prices of phosphate fertilizers are close to year-earlier levels.

Exports of phosphate rock were up in 1977/78 over 20 percent from a year earlier, while diammonium phosphates and concentrated superphosphate exports were up 22 and 15 percent, respectively.

Prospects for 1978/79 suggest adequate supplies of phosphate fertilizers at modestly higher prices. Consumption is projected to increase 4 to 8 percent to perhaps 5.6 to 5.8 million tons.

**Potash fertilizers:** Potash use in 1977/78 declined to about 5.6 million tons, a drop about in line with lower nitrogen and phosphate fertilizer use.

On the supply side, combined U.S. and Canadian production in the 1977/78 fertilizer year was up about 8 percent from a year earlier. Domestic inventories at the end of June climbed 55 percent from last year, although imports were off roughly 4 percent.

Prices remained stable during the last fertilizer year and are expected to remain stable in the coming year. Consumption in 1978/79 is expected to range from between 5.8 and 6.0 million tons, up moderately from the season just ended. Paul Andrienas, (202) 447-6620.

## Nonreal Estate Borrowing Slows Down

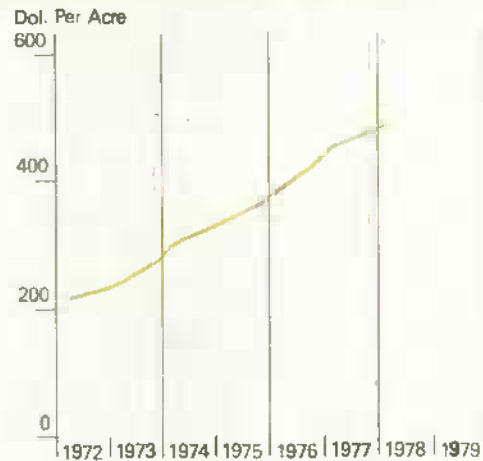
The 17-percent increase in nonreal estate farm debt during 1977 is not likely to be matched in 1978—although a relatively steep climb (roughly 13 percent) is still expected.

First quarter loan statistics for the three principal nonreal estate lenders—banks, production credit associations (PCA's) and the Farmers Home Administration (FmHA)—rose more slowly in the first 3 months of 1978 than in the same quarter of 1977. There was also a decided shift toward greater FmHA financing.

Loans of the commercial lenders—banks and PCA's—declined slightly in the first quarter in contrast to the \$0.8 billion increase in the year-earlier quarter. FmHA loans rose by \$1.1 billion, a sharp stepup from the \$0.3 billion gain in early 1977.

Stated another way, loans made by the FmHA constituted only about a quarter of the total increase of the three lenders in the

## GAINS IN FARMLAND VALUES EASE



first quarter of 1977; in the comparable period of 1978, the rise in FmHA loans was greater than the rise in the combined loans of the three lenders.

Lending by FmHA in the remainder of 1978 will be affected by enactment of the recently passed "Agriculture Credit Act of 1978." Among other things, the act provides for additional financing by FmHA in either direct or guaranteed loans to farm producers who are judged to be unable because of economic stress to obtain sufficient credit from their normal credit sources. In the approximately 2 years of this program (until May 15, 1980), outstanding loans can reach a total of \$4 billion. However, even with this enlarged program it is unlikely that total FmHA nonreal estate lending will expand sufficiently in the remainder of 1978 to offset the slower growth expected in bank and PCA lending—in contrast to the almost offsetting development in the first quarter. Thus, the rate of increase in nonreal estate debt is still expected to be below that of 1977. *Philip Allen, (202) 447-7383.*

## Farmland Values Continue Climbing

The value of farmland is expected to rise 6 to 10 percent during the year ending February 1, 1979, primarily reflecting the pickup in farm income since late in 1977 and the general inflation rate. Farmland price increased an average of 9 percent for the year ending February 1, 1978—the smallest annual percentage increase since 1972. Combining this with a slight increase in farm size, the average value per operating unit increased 9.7 percent to \$195,800.

The total value of farm real estate was \$524 billion on February 1, up \$42 billion from last year. Building values accounted for \$90 billion or 17 percent of the total value. The national average value per acre was \$490, with State averages ranging from \$93 an acre in New Mexico to \$2,051 an acre in New Jersey.

Farm enlargement accounted for 58 percent of all farmland purchases in the past year, compared with a record 63 percent the year before. Based upon the climbing farm income levels, the rate of transfers is expected to increase in the current year.

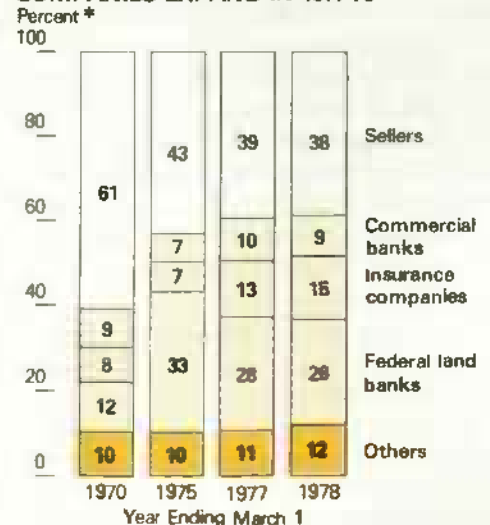
While credit availability tightened slightly during the past year as lenders became more cautious, long-term lenders were still quite willing to lend on real estate as a record high 89 percent of all transfers were credit financed. Sellers and Federal land banks supplied 64 percent of this credit financing. Life insurance companies continued to expand their market share by financing 15 percent of all new loans, compared with 13 percent the previous year. *Larry Walker, (202) 447-7385*

## NONREAL ESTATE FARM LOANS OUTSTANDING

	Jan-Mar 1977	Jan-Mar 1978
	Bil. Dol.	
<b>Banks</b>		
Beginning .....	\$23.3	\$25.7
Ending .....	23.7	25.5
Percent change .....	2%	-1%
<b>Production Credit Associations</b>		
Beginning .....	12.2	13.5
Ending .....	12.6	13.4
Percent change .....	3%	0
<b>Farmers Home Administration</b>		
Beginning .....	1.9	3.1
Ending .....	2.2	4.2
Percent change .....	16%	35%
<b>Total</b>		
Beginning .....	37.3	42.3
Ending .....	38.4	43.1
Percent change .....	3%	2%

<sup>1</sup> Total nonreal estate farm loans on January 1, 1978 are estimated at \$55.5 billion including—in addition to the above—loans of individuals and others (\$8.3 billion), Commodity Credit Corporation loans (\$4.5 billion), and a miscellaneous group (\$0.4 billion).

## SELLERS STILL LARGEST SOURCE OF FARMLAND CREDIT; INSURANCE COMPANIES EXPAND IN 1977-78



\* Share of credit volume extended for farmland transfers. Totals may not add due to rounding.



## Policy

The Commodity Credit Corporation (CCC) has alternative criteria for determining the release and call levels for grain in the producer-held reserve. Price data used by the CCC will rely on the daily Market News report by the Agricultural Marketing Service (AMS) which shows prices bid by buyers at selected markets, and the monthly *Agricultural Prices* report by the Economics, Statistics, and Cooperatives Service (ESCS) showing the current midmonth price received by farmers and the average prices received during the previous month.

According to CCC criteria, CCC will release grain from the reserve when:

- a. the midmonth price received for feed grains is at least 130 percent (145 percent for wheat) of the current loan level, or
- b. the midmonth price for feed grains is between 125 and 130 percent (140 and 145 percent for wheat) of the loan and the AMS daily price trend for the past 10 market days is up sufficiently to indicate that release should be authorized.

Using AMS market price data, the CCC will release the grain any time:

- a. the average price for feed grains for the last 5 market days, adjusted downward to reflect prices received by farmers, equals or exceeds 125 percent (140 percent for wheat) of the current loan level, *unless*
- b. the trend in these prices is down and CCC decides against a release. The downward adjustment will be the difference between the most recent ESCS midmonth price and the AMS average midmonth market price.

The release period will be terminated when:

- a. the ESCS midmonth price for feed grains is below 125 percent of the loan (140 percent for wheat), *and*
- b. the AMS price, as adjusted, for the last 5 market days is below the same criteria.

Release periods are to remain in effect for at least 1 month. Any release period triggered by AMS prices would continue through the end of the current month and would be subject to review and termination, if warranted, at the end of the following month.

The average of barley prices received by farmers as of mid-June reached \$2.20 a bushel, 135 percent of the current \$1.63 loan level, exceeding the criteria necessary for triggering a release period. When market prices attain 125 percent of the loan level for feed grains (140 percent for wheat), producers can redeem their loans without penalty, and either sell or hold their grain as they wish.

Since the barley release, announced July 3, was triggered by ESCS price data, USDA will have reviewed the two average barley prices again on July 31 when the July issue of *Agricultural Prices* was published. If both the midmonth ESCS and the 5-day AMS average prices continued above the release level of \$2.04 per bushel, the release authorization will have been extended a month and government storage payments stopped. If one or both of these prices fell below the release level, the release authorization will have been rescinded and storage payments continued.

Redemption of the loans is required when market prices reach 140 percent of the loan for feed grains and 175 percent for wheat. These "call" levels would be determined in the same manner described for the release

levels. Loans not redeemed within 30 days after the "call" announcement will be forfeited to the CCC.

Producers placed more than 25 million bushels of barley in the reserve since the commodity became eligible December 6, 1977, when the market price was \$1.79.

Procedures for determining the release price are designed to allow reserve participants to redeem their loans and sell their grain at market prices significantly above the loan level. Since this is the first release announced for the producer-held reserve, farmers, grain buyers, and market analysts are quite interested in the decisions farmers make and their effect on the market.

### Program Signup and Certification

Signup for the 1978 cotton, feed grain, and wheat programs showed 1,186,143 farms intending to plant an estimated 50,326,980 acres of wheat and 69,649,667 acres of feed grains. Cropland designated as set-aside totaled 17 million acres, including 10 under the wheat program and 7 under the feed grain program. Additional acreage to be diverted included 5 million acres under the feed grain program and half a million under the cotton program. Producers planned to graze or hay over 1 million acres of wheat.

Initial signup does not commit producers to the commodity programs. However, final figures will be available only after farmers have "certified" their crop acreages.

Since the end of May, the signup deadline for 1978 crop programs, winter wheat prices have fluctuated somewhat, but remained near the same level. In contrast, wholesale cash corn prices have dropped about 35 cents a bushel. Weakening corn prices may encourage those producers to follow through with their set-aside and diversion intentions, thus assuring eligibility for price support loans and disaster, deficiency, and diversion payments while reducing their total crop acreage.

Producers who signed up and intend to participate must make any necessary acreage adjustments to comply with the program(s) prior to the final certification date. After certification is complete, ASCS



will make spot visits and measurements of participating farms at random. Those farmers who are not in compliance may be ineligible for program benefits.

Farmers certify their acreages at their county Agricultural Stabilization and Conservation Service office. Certification dates are set by the State ASC Committee and vary from State to State. County offices will inform farmers of the final certification date for each crop and program.

### 1978 Tobacco Loans Raised

On June 30, USDA announced an increase of about 6.3 percent in price support levels for eligible kinds of tobacco. Current law requires the price support to be adjusted by the parity index average for the last 3 years.

The support levels, by kind, and comparable 1977 rates are as follows:

As in the past, price support will be made available to eligible producers through loans to producer associations under contracts with the CCC. To be eligible, producers must certify that they have not used restricted pesticides (DDT, TDE, toxaphene, and endrin) on their tobacco.

Producers of the kinds of tobacco under acreage allotments or acreage-poundage marketing quotas must certify their planted acreage.

Associations to which loans are made are authorized to withhold 1 cent per pound from the advances to producers to help defray association administration costs. *Cecil Davison (202) 447-8840.*

### TOBACCO SUPPORT LEVELS

Kind	1977 crop 1978 crop	
	(cents per pound)	
Flue-cured, types 11-14	113.8	121.0
Burley, type 31	117.3	124.7
Virginia fire-cured, type 21	79.5	84.6
Kentucky-Tennessee fire-cured, types 22-23	79.5	84.6
Dark air-cured, types 35-36	70.7	75.2
Virginia sun-cured, type 37	70.7	75.2
Cigar binder, types 51-52	81.2	86.3
Cigar filler and binder, types 42-44, 53-55	58.6	62.3
Puerto Rican, type 46	60.9	64.7

### USDA Offers Purchase Program For Flaxseed

A national purchase price of \$4.50 per bushel for the 1978 crop of flaxseed was announced by USDA in late July. This purchase agreement program is the first type of price support offered by the department for flaxseed since 1974.

Under the program, producers sign agreements that obligate the Commodity Credit Corporation (CCC) to purchase flaxseed at the county purchase price—which will be announced soon by USDA. Purchase agreements are not binding on producers. They may sell their flaxseed at any time, thus voiding the agreement. What the agreement program does is assure producers that they will receive at least the government purchase price for their crop.

Producers may sign agreements any time up to the maturity date of the agreement. In the major flaxseed-producing states of Minnesota, North Dakota, South Dakota and Montana, the maturity date for 1978-crop flaxseed is May 31, 1979. In all other states, the maturity date is April 30, 1979. Producers do not receive payment and they do not deliver their crop to CCC until after the agreement maturity date.

### USDA Adds Soybean Oil To Commodities Reported Under Daily System

Soybean oil has been added to the list of commodities covered under the U.S. Department of Agriculture's daily reporting system.

Soybean oil transactions involving one country of destination for quantities of 20,000 metric tons or more in any 1 day or totaling 40,000 metric tons or more in any 1 week must now be reported by telephone to USDA by 3 p.m. (EST) on the next business day following such transactions.

The commodities already included under the daily reporting system are: wheat, corn, grain sorghum, barley, oats, soybeans and soybean meal. Reportable quantities for these commodities are 100,000 metric tons or more in any 1 day or totaling 200,000 metric tons or more in any 1 week.

Information on significant export activity reported under the daily reporting system is summarized in Departmental press releases issued to the public.

### Hired Farmworker Numbers Steady

The number of hired farmworkers changed little between 1972 and 1976, indicating that annual farm employment continues to be stable after the long downturn of previous years.

This is one of the findings of a recent USDA report on the hired farm labor force.

Here are some of the other report's highlights:

—The hired farm working force totaled 2.8 million in 1976.

—Three out of five hired farmworkers in 1976 were 14-24 years old; three out of four were male. Most (75 percent) were white, 11 percent were of Hispanic origin, and 14 percent were blacks and others.

—The median education of farmworkers 25 years of age or older was 10.1 years in 1976. Nearly a fourth of the Nation's hired farmworkers were located in the Southeast at the time of the survey. About 8 percent of the hired farmworkers were migrants.

—Only 12 percent of the people hired to work on farms worked there year-round (250 days or more) in 1976. Another 10 percent worked on farms 150 to 249 days. Together, these full time and regular farmworkers did the bulk—68 percent—of hired farmwork in 1976.

A copy of "The Hired Farm Working Force of 1976," AER No. 405, may be ordered from Publications Services, Room 0054-S, Economics, Statistics, and Cooperatives Service, USDA, Washington, D.C. 20250. Please include your zipcode.

### Report Wrapup...

USDA's Economics, Statistics, and Cooperatives Service issues a variety of periodic reports that report on or analyze the economic situation of U.S. agriculture. *Periodicals 1978*, a brochure just off press, lists the titles of these ESCS reports, along with brief descriptions of their contents, frequency of issue, and how to be placed on their mailing lists.

To obtain your copy of *Periodicals 1978*, send a postcard to ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.



## World Agriculture and Trade

World coarse grain production in 1978/79 may approximate 700 million tons, at least as large as the 1977 crop if growing and harvesting conditions continue favorable. The possibility for some recovery in Soviet and Brazilian production tends to offset the expected decline in the United States and in several other major exporting countries. Little change is expected in the production levels of Western and Eastern Europe.

The 1978 Soviet total grain crop (coarse grains, wheat, other grains, rough rice, and pulses) is now forecast at 195 to 230 million tons, compared with 195 million in 1977. Improved soil moisture conditions and evenly distributed rainfall indicate higher yields than last year, barring any unusual developments during the rest of the season, with increases both for wheat and coarse grains.

World coarse grain exports are expected to drop about 5 percent from 1977/78's 92-million-ton record.<sup>1</sup> The Soviet Union and Eastern Europe are likely to continue heavy imports even if crop expectations are met because of low grain stocks and expanding livestock production. West European coarse grain imports are expected to remain

around 1977/78 levels as price relationships continue to favor use of nongrain feedstuffs by their expanding livestock industries.

U.S. coarse grain export prospects, although still very tentative, could hold near the estimated 53 million tons for 1977/78, depending on world developments.

World wheat production is expected to increase from the reduced 382 million tons in 1977/78, perhaps to around 400 million if crops develop about as now expected. Outside of the United States, production is expected to rise by almost a tenth, if output recovers in the USSR, Western Europe, and Australia. The Soviet crop is expected to fall in a range of 95 to 110 million, compared with 92 million tons last year.

World wheat trade may decline marginally in 1978/79. Western Europe, the USSR, and the People's Republic of China (PRC) will import less than in 1977/78 if the expected production increases are realized. North African wheat production recovered in 1978, and imports will be smaller in 1978/79. With continuing large wheat stocks and expanding production, India is expected to be an exporter of wheat in 1978/79 as in 1977/78. U.S. wheat exports in 1978/79 may approximate the 30 million tons in 1977/78 depending on the outcome of the U.S. and world wheat production.

The 1978/79 world rice crop may approximate 370 million tons, about the same as last year's crop. Early season prospects are generally favorable across Northern Hemisphere producing areas. Summer monsoon rains have been adequate thus far in India and other Asian areas.

U.S. exports are likely to remain near 2.2 million tons (milled basis), while world trade is expected to be off almost a tenth to 8.8 million tons. Thai rice exports may be down as much as 40 to 50 percent from the large 2.9 million tons reported in 1977. The PRC and Pakistan are other major rice exporters, with shipments from each country totaling around a million tons annually.

World cotton production in 1978/79 is projected at 59 to 65 million bales, compared with 64 million in 1977/78. Price

relationships have encouraged many farmers to switch to other crops. In addition, weather problems have hurt the Soviet cotton crop.

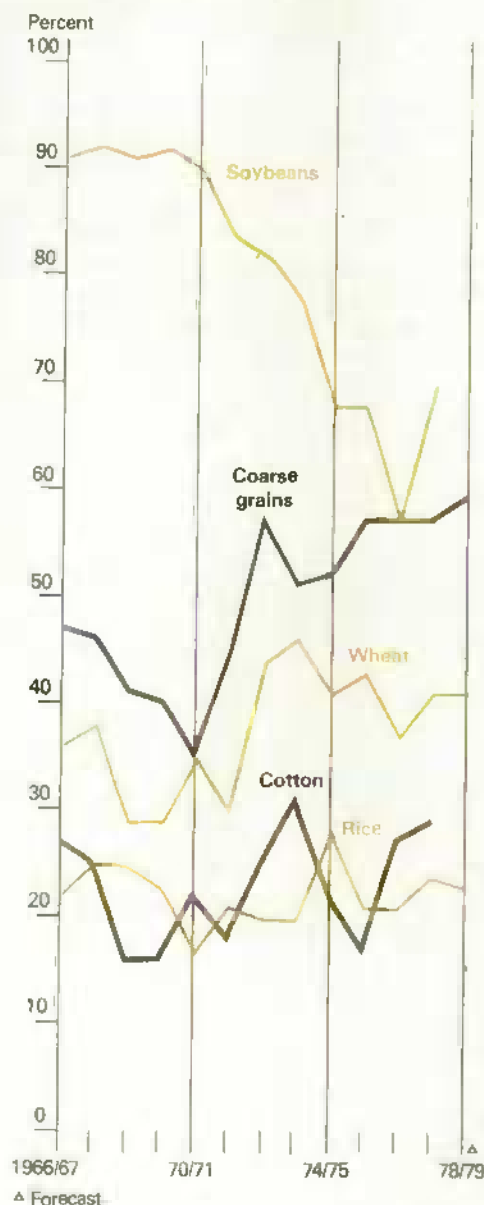
The outlook for cotton trade in 1978/79 is generally promising because supplies are large and world consumption is expected to increase. U.S. exports are expected to remain near 1977/78's estimated 5.5 million bales. Sally Byrne, (202) 447-8261

### U.S. Agriculture Holds Big Share of Major World Markets

The United States is the world's largest exporter of agricultural products, and the U.S. market share is expanding for a number of commodities. For several temperate-zone products, the United States is the dominant force in the world market.

The U.S. share of world coarse grain exports is estimated at 57 percent in 1977/

### U.S. EXPORTS INCREASE SHARE OF WORLD TRADE



<sup>1</sup> Trade data in this article include intra-EC trade. The trade years used are based on the marketing years of the individual countries.

78, up from about 45 percent in the late 1960's. The United States has absorbed 70 percent of the growth in world trade that has taken place during the last decade. In 1978/79, the U.S. share of world exports is expected to be up slightly.

The United States is also the world's primary exporter of wheat. U.S. exports of wheat in 1977/78 totaled 31 million tons out of a world total of about 74 million. Even if U.S. exports dip slightly in 1978/79, total world trade will be down marginally so the U.S. share of world trade will probably remain at 41 percent.

The United States produces less than 2 percent of the world rice crop, but it is the leading exporter of rice on the world market, in most years outpacing Thailand. The U.S. share of world trade has remained fairly constant during the past decade, averaging 20 to 25 percent of the total. In 1978/79, the U.S. share may remain near 1977/78's estimated 24 percent.

During the 1960's, the United States provided over nine-tenths of the soybeans and soybean meal traded on the world market. Demand for high-protein meals was expanding along with the growth of livestock industries in many parts of the world. Brazil and Argentina were encouraged to promote soybeans, and large-scale production was begun.

As exports from these countries took off, the U.S. predominance in soybean trade slipped. However, the United States has shared in the trade expansion, and soybeans are among the fastest growing export commodities.

Soybeans and soybean products (meal and oil) have become the largest U.S. agricultural export item. In fiscal 1977, soybean, meal, and oil exports were valued at \$5.7 billion, topping corn exports of \$4.5 billion and wheat and product exports of \$3 billion. Fiscal 1978 exports of soybeans and products will exceed \$6 billion. Record-high export volumes also are expected for soybeans (19 million tons), soybean meal (5.4 million), and soybean oil (953,000).

The United States usually supplies about a fourth of the cotton traded on the world market. The USSR is the second-largest cotton exporter with about a fifth of the market. The other major exporters are Turkey, Egypt, Sudan, and Central America. In 1977/78, U.S. exports are estimated at 29 percent of world trade in cotton.

The U.S. share of world unmanufactured tobacco trade has slipped in recent years. However, the United States is still the largest exporter and has a fifth of the market.

Brazil, India, Turkey, and Bulgaria are the other large exporters, but many countries export tobacco.

U.S. tobacco exports have encountered a number of obstacles during the 1970's. Antismoking campaigns and higher taxes in Europe and Japan have discouraged consumption. U.S. tobacco was particularly affected because of its higher price and greater nicotine content. Additionally, tariff concessions have been granted to exports of developing countries, seriously damaging the U.S. competitive position. *Sally Byrne, (202 447-8261)*

### **Geneva Trade Talks Continue**

Negotiators at the Tokyo Round of Multilateral Trade Negotiations (MTN) failed to settle on a package of basic agreements by the July 15 target date. However, several key countries, including the United States, reached a "framework of understanding" on essential elements of a new trade pact. Negotiators are now striving to complete the talks by the end of the year. If this is achieved, a final package will be presented to Congress when it reconvenes in January 1979.

At the Bonn Economic Summit, held July 16-17, 1978, the heads of state of the United States and seven other major industrialized nations reaffirmed their support of the MTN. They also called for a successful conclusion of the trade talks by December 15, 1978. The 1974 Trade Act authorizes U.S. participation in the ongoing negotiations until January 1980.

Significant progress has been made in many areas of the negotiations; however, several important issues concerning agriculture, subsidies/countervailing duties, and safeguards remain to be resolved. International codes regulating product standards, customs valuation, and government procurement are near completion.

There is also broad agreement to reduce tariffs by about 40 percent, with tariff harmonization. Overall tariff reductions of this magnitude would be significant, particularly the reductions on products with current duties in the range of 5 to 15 percent—where most tariff categories exist and most trade occurs.

Progress in liberalizing trade of agricultural products, which is of prime interest to the United States, has been limited. The United States continues to seek further reductions of tariff and quota barriers on

### **Foreign Agriculture Circulars**

USDA'S Foreign Agricultural Service issues a number of Foreign Agriculture Circulars at irregular intervals during the year on various commodities and export services for the food and agricultural trade. These circulars are distributed without cost to U.S. residents. If you wish to be placed on the mailing list for any of these reports, you should write to: Foreign Agricultural Service, Information Division, Information Services Staff, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

### **Titles**

Oilseeds and Products  
Grains other than rice  
Livestock and Meat  
Cotton  
Coffee  
Dried Pulses  
Processed Fruits  
Fresh and Processed Citrus Fruits  
Cocoa  
Dairy  
Fresh Deciduous Fruits and Grapes  
Dried Fruits  
Hops  
Tree Nuts  
Poultry and Eggs  
Rice  
Seeds, Field, and Vegetable  
Sugar  
Tea and Spices  
Tobacco  
Vegetable Fibers  
Wool  
Honey  
Fresh and Processed Vegetables  
Table Olives  
Strawberries and Other Berries  
Tropical Fruits



fresh citrus, citrus juices, and beef from Japan. U.S. negotiators are also seeking further European Community (EC) tariff reductions on U.S. exports of tobacco, citrus, lard, almonds, grapes, and prunes as well as relaxation of nontariff barriers on hotel beef and rice.

MTN participants have agreed on basic components of international arrangements for meat and dairy products, although several elements remain unresolved. These arrangements, if negotiated, would include provisions for information gathering, consultations, safeguards, export subsidies, and increased market access. The dairy arrangement may include some economic provisions. The United States has taken an active role in these discussions but has not made a commitment to participate in any final arrangements.

Wheat and coarse grains issues, which have been linked with the talks being held at the International Wheat Council (IWC), continue under deliberation. The interim committee of the IWC is scheduled to resume negotiations in October 1978.

The Subgroup on Subsidies/Countervailing Duties (CVD's) convened July 13, 1978, to review a text prepared by the United States, EC, Canada, Japan, and the Nordics (Denmark, Finland, Norway, Sweden). The document, which may be used as a basis for negotiations, contains provisions on agricultural subsidies, procedures for notification of subsidies and CVD's actions, imposition of CVD's, guidelines for internal subsidies, and provisions on dispute management.

Consultations are also underway on several working documents concerning safeguards—temporary import restrictions applied when imports are injurious to domestic producers. One of the major unresolved differences has been over the principle of selectivity; that is, whether safeguards should be applied only against suppliers causing injury or against all suppliers of a given commodity on a Most Favored Nation basis. *Barbara S. Blair, (202) 447-7590.*

## Goals of New Soviet 5-Year Plan Revealed

Some important indications of the direction of USSR agriculture through 1985 were revealed last month in General Secretary Leonid I. Brezhnev's speech to the Central Committee of the Soviet Communist Party. Judging from the text of his speech, which appeared in the Soviet press, a major goal of the eleventh Soviet 5-Year Plan (1981-85) is further development of the livestock sector.

Brezhnev emphasized that meat and livestock product output is not meeting the burgeoning demand. The 1985 meat production goal of 19.5 million metric tons is a 13-percent gain over the 1980 target and is comparable to the planned increase from 1975 to 1980. Production in 1977 totaled 14.8 million tons, and the 1980 goal is 17.3 million.

All aspects of meat production were stressed, especially beef. In conjunction with increased beef output, the quality of forage production was singled out as a major area for improvement. In addition, Brezhnev indicated a need for improvement in the mixed feed industry plus expansion of new sources for high protein feed to alleviate the protein deficit that exists in the livestock sector.

The further industrialization of the livestock sector will remain the path for future development, with continued emphasis on large specialized livestock complexes. However, Brezhnev also pointed out that some nonspecialized enterprises with adequate feed bases have performed quite well and are still needed. Similarly, Brezhnev stated that private plots or "private subsidiary farming" will play a "useful role" in meeting the overall meat production targets in the next 5-Year Plan.

## USSR GRAIN PRODUCTION<sup>1</sup>

Marketing year	Wheat	Coarse grains <sup>2</sup>	Total grain <sup>3</sup>
Mil. metric tons			
1972 . . . . .	86.0	72.5	168.2
1973 . . . . .	109.8	101.0	222.5
1974 . . . . .	83.8	99.7	195.7
1975 . . . . .	66.2	65.8	140.1
1976 . . . . .	96.9	115.0	223.8
1977 . . . . .	92.0	92.5	195.5
1978 . . . . .	95-110	90-110	195-230

<sup>1</sup>"Bunker weight" basis; not discounted for excess moisture and foreign material. <sup>2</sup>Includes rye, barley, oats, corn sorghum and millet. <sup>3</sup>Includes wheat, coarse grains, rice and miscellaneous grains and pulses.

In the grains area, the average annual gross output is targeted at 238 to 243 million tons for 1981-85. By 1990, the goal is 1 ton of grain production per capita (the Soviet population on July 1, 1978 was 261 million).

In the new 5-Year Plan, fertilizer deliveries to agriculture are planned to increase to a range of 135 to 140 million metric tons of material, and deliveries of feed additives (mainly urea and feed phosphates) are to reach 7 million tons annually. This compares with a 1970-plan target of 120 million tons which the Soviets may be unable to reach.

In order to meet all these goals, Brezhnev indicated that the share of capital investment in agriculture during 1981-85 should not be any lower than at present (approximately 27 percent of total investments in the economy). Details of the investment plan will be worked out later, but there is the hint that agriculture's investment share may increase. One point that Brezhnev did make was that the quality of investments must be improved, a theme stressed before.

To improve the profitability and welfare on collective and state farms, three measures are to be introduced. First, beginning on January 1, 1979, the purchase price (farm price for sales to the state) of milk, wool, karakul, mutton, potatoes, and various vegetables will be raised. These purchase price increases will add 3.2 billion rubles of income annually to agriculture. In 1977 gross agricultural output was valued at 123.6 billion rubles. Brezhnev emphasized that this would occur without an increase in retail prices.

Second, the collective farm income tax structure will be eased and the amount of funds for compensation from natural disasters will be increased. Third, beginning January 1, 1980, the minimum pension for collective farmers will be raised by 40 percent and, by 1985, collective farmers' pensions would reach the levels of workers in the industrial sectors. *Michael Zahn, (202) 447-8380*

# Statistical Indicators

## Farm Income

### Gross and net farm income<sup>1</sup>

	Annual			1975	1976				1977				1978	
	1975	1976	1977	IV	I	II	III	IV	I	II	III	IV	I	II
	\$ Bil.													
Cash receipts from farm marketings .	88.2	94.5	96.1	89.9	93.3	98.9	93.2	92.6	97.6	95.7	91.3	99.6	102.2	110.0
Livestock and products . . . . .	43.0	46.2	47.6	46.8	46.4	47.9	45.2	45.1	46.3	46.6	47.8	49.5	52.7	57.0
Crops . . . . .	45.1	48.3	48.5	43.1	46.9	51.0	48.0	47.5	51.3	49.1	43.5	50.1	49.5	53.0
Nonmoney and other farm income <sup>2</sup> .	8.7	9.6	12.0	9.2	9.2	9.5	9.6	10.0	10.5	11.0	11.4	15.2	13.6	14.0
Gross farm income . . . . .	96.9	104.1	108.1	99.1	102.5	108.4	102.8	102.6	108.1	106.7	102.7	114.8	115.8	124.0
Farm production expenses . . . . .	75.9	83.0	88.0	77.0	79.5	85.0	84.5	82.9	87.5	87.0	86.0	91.4	93.5	97.0
Net income before inventory adj. . . .	21.1	21.1	20.1	22.1	23.0	23.4	18.3	19.7	20.6	19.7	16.7	23.4	22.3	27.0
Net change in farm inventories . . . .	3.4	-2.4	.4	4.0	-1.5	-3.5	-1.2	-3.2	-1.0	.5	0	2.1	0	-2.0
Net income after inventory adj. . . . .														
Current prices . . . . .	24.5	18.8	20.6	26.1	21.5	19.9	17.1	16.5	19.6	20.2	16.8	25.5	22.3	25.0
1967 prices <sup>3</sup> . . . . .	15.2	11.0	11.3	15.8	12.9	11.8	9.9	9.5	11.1	11.2	9.2	13.8	11.8	13.0

<sup>1</sup> All estimates starting with calendar year 1975 have been updated with new information; quarters of 1978 are subject to revision as year progresses. Quarterly data are seasonally adjusted at annual rates. <sup>2</sup> Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. <sup>3</sup> Deflated by the consumer price index for all items, 1967=100.

### Cash receipts from farming

	Annual			1977		1978				
	1975	1976	1977	May	Dec	Jan	Feb	Mar	Apr	May
	\$ Mil.									
Farm marketings and CCC loans <sup>1</sup> . . . . .	88,209	94,501	96,084	6,372	8,870	8,556	6,857	7,322	7,110	7,750
Livestock and products . . . . .	43,059	46,152	47,565	3,871	4,041	4,011	4,075	4,583	4,707	4,967
Meat animals . . . . .	25,793	26,954	27,946	2,170	2,375	2,418	2,561	2,860	2,969	3,162
Dairy products . . . . .	9,922	11,428	11,776	1,058	1,004	1,011	933	1,065	1,072	1,119
Poultry and eggs . . . . .	6,810	7,167	7,219	577	610	539	540	618	615	632
Other . . . . .	534	603	624	66	52	43	41	40	51	54
Crops . . . . .	45,150	48,349	48,519	2,501	4,829	4,545	2,782	2,739	2,403	2,783
Food grains . . . . .	7,760	6,898	6,139	312	251	413	265	233	176	181
Feed crops . . . . .	12,150	13,079	12,017	642	1,237	1,366	781	656	502	590
Cotton (lint and seed) . . . . .	2,311	3,477	3,939	49	1,050	339	120	173	32	44
Tobacco . . . . .	2,155	2,310	2,331	13	284	228	46	24	14	20
Oil-bearing crops . . . . .	7,273	9,252	9,393	426	676	1,262	728	675	582	699
Vegetables and melons . . . . .	5,350	5,245	5,661	454	298	320	268	317	343	504
Fruits and tree nuts . . . . .	3,525	3,617	4,262	264	481	312	288	288	312	388
Other . . . . .	4,626	4,471	4,777	341	552	305	286	373	442	357
Government payments . . . . .	807	734	1,819	38	985	308	219	151	298	150
Total cash receipts <sup>2</sup> . . . . .	89,016	95,235	97,903	6,410	9,855	8,864	7,076	7,473	7,408	7,900

<sup>1</sup> Receipts from loans represent value of loans minus value of redemptions during the month. <sup>2</sup> Details may not add because of rounding.

### Farm marketing indexes (physical volume)

	Annual			1977		1978				
	1975	1976	1977	May	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
All commodities . . . . .	114	121	125	97	139	130	100	98	92	97
Livestock and products . . . . .	106	111	114	110	114	109	104	112	112	114
Crops . . . . .	124	135	140	79	172	161	93	77	64	74

Cash receipts<sup>1</sup> from farm marketings, by States, January-May

	Livestock and Products		Crops <sup>2</sup>		Total <sup>2</sup>	
	1977	1978	1977	1978	1977	1978
	\$ Mil.					
<b>NORTH ATLANTIC</b>						
Maine .....	113.6	104.7	95.3	62.6	209.0	167.3
New Hampshire .....	24.3	22.5	9.1	9.2	33.4	31.6
Vermont .....	96.3	106.6	10.0	9.9	106.3	116.5
Massachusetts .....	47.5	42.9	41.6	41.0	89.1	83.9
Rhode Island .....	5.7	4.8	6.1	6.2	11.7	11.0
Connecticut .....	55.3	53.3	60.6	51.2	115.9	104.4
New York .....	495.6	524.0	184.2	173.9	679.7	697.9
New Jersey .....	46.5	41.3	52.2	55.9	98.7	97.2
Pennsylvania .....	550.3	582.4	225.1	241.1	775.4	823.5
<b>NORTH CENTRAL</b>						
Ohio .....	470.3	531.7	686.5	568.3	1,156.9	1,100.0
Indiana .....	531.0	593.3	775.1	588.8	1,306.2	1,182.1
Illinois .....	763.0	901.9	1,951.7	1,704.6	2,714.7	2,606.5
Michigan .....	336.3	371.5	298.5	327.9	634.8	699.4
Wisconsin .....	1,067.9	1,187.6	141.6	218.3	1,209.5	1,405.9
Minnesota .....	899.3	1,034.4	650.2	810.3	1,549.5	1,844.7
Iowa .....	1,604.6	2,140.7	1,510.6	1,088.0	3,116.2	3,228.7
Missouri .....	628.6	730.6	334.6	412.6	963.2	1,143.2
North Dakota .....	181.2	263.6	374.4	290.9	555.6	554.4
South Dakota .....	601.6	540.9	82.9	207.8	684.5	748.7
Nebraska .....	906.6	1,122.9	593.7	653.5	1,500.3	1,776.4
Kansas .....	825.6	1,378.3	490.2	456.4	1,315.8	1,834.7
<b>SOUTHERN</b>						
Delaware .....	73.7	78.5	18.6	15.2	92.2	93.8
Maryland .....	178.5	192.8	75.2	74.3	253.7	267.1
Virginia .....	224.1	235.0	77.4	71.9	301.5	306.8
West Virginia .....	37.5	36.3	14.3	13.9	61.8	50.2
North Carolina .....	453.8	468.6	178.4	169.5	632.2	638.1
South Carolina .....	115.8	131.2	115.6	104.9	231.4	236.1
Georgia .....	507.4	569.8	200.3	144.6	707.6	714.4
Florida .....	303.0	366.9	1,096.0	1,419.2	1,399.0	1,786.1
Kentucky .....	295.2	297.4	428.5	307.5	723.6	604.9
Tennessee .....	293.1	345.2	196.4	146.1	489.5	491.4
Alabama .....	433.6	434.5	131.2	139.5	564.7	574.0
Mississippi .....	282.5	357.1	204.0	210.4	486.6	567.4
Arkansas .....	443.6	542.3	239.5	266.3	683.3	808.6
Louisiana .....	175.0	202.1	185.5	183.2	360.5	385.3
Oklahoma .....	507.3	591.3	198.8	142.4	706.1	733.8
Texas .....	1,334.3	1,660.0	898.1	741.4	2,232.3	2,401.3
<b>WESTERN</b>						
Montana .....	115.6	129.8	188.3	145.7	303.9	275.5
Idaho .....	174.5	227.0	232.1	234.1	406.7	461.1
Wyoming .....	77.4	127.9	16.6	17.2	94.0	145.2
Colorado .....	546.7	669.8	154.7	157.2	701.4	827.0
New Mexico .....	170.8	203.9	48.3	38.4	219.2	242.3
Arizona .....	248.8	293.4	241.0	197.3	489.8	490.7
Utah .....	94.0	115.8	24.3	23.0	118.3	138.8
Nevada .....	37.5	42.5	22.9	17.4	60.5	59.8
Washington .....	213.4	238.6	410.4	407.1	623.8	645.6
Oregon .....	134.8	165.2	162.0	169.0	296.9	334.2
California .....	1,255.9	1,312.4	1,682.8	1,606.5	2,938.7	2,918.9
Alaska .....	1.8	1.9	.9	1.6	2.7	3.5
Hawaii .....	26.9	26.5	108.4	109.1	135.4	135.6
<b>UNITED STATES</b>						
Grand Total .....	19,007.6	22,343.4	16,124.9	15,251.9	35,132.4	37,595.3

<sup>1</sup> Estimates as of the first of current month. <sup>2</sup> Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.



# Farm Prices: Received and Paid

Index = prices received and paid by farmers, U.S. average

	January-June			1977	1978					
	1976	1977	1978	June	Jan	Feb	Mar	Apr	May	June p
	1967=100									
Prices Received										
All farm products .....	188	188	203	184	186	193	200	208	215	218
All crops .....	196	205	202	196	188	190	198	208	212	217
Food grains .....	224	154	188	139	178	182	186	195	193	191
Feed grains and hay .....	221	204	190	189	176	180	187	194	202	198
Feed grains .....	219	196	186	180	172	175	183	191	198	195
Cotton .....	246	290	229	272	213	224	228	230	239	242
Tobacco .....	158	173	183	174	185	184	181	183	183	183
Oil-bearing crops .....	180	282	222	287	207	200	221	230	239	232
Fruit .....	126	135	210	153	187	194	203	194	222	257
Fresh market <sup>1</sup> .....	123	126	218	151	186	201	210	200	233	275
Commercial vegetables .....	159	189	208	147	187	183	188	246	213	230
Fresh market .....	171	218	239	150	207	201	209	296	247	273
Potatoes <sup>2</sup> .....	232	194	202	223	184	187	186	189	209	256
Livestock and products .....	183	173	205	173	185	196	204	209	217	219
Meat animals .....	181	166	213	169	183	197	209	218	233	236
Dairy products .....	190	188	201	187	203	203	203	201	199	199
Poultry and eggs .....	177	178	180	167	166	179	182	187	181	182
Prices Paid										
Commodities and services, interest, taxes, and wage rates .....	191	202	215	204	209	211	214	216	219	220
Production items .....	192	201	212	203	203	206	211	214	217	218
Feed .....	186	201	184	198	179	178	183	187	188	189
Feeder livestock .....	162	156	204	154	170	185	202	213	229	223
Interest payable per acre on farm real estate debt ..	287	331	384	331	384	384	384	384	384	384
Taxes on farm real estate .....	178	195	210	195	210	210	210	210	210	210
Wage rates (seasonally adjusted) .....	211	226	245	224	244	244	244	246	246	246
Production items, interest, taxes, and wage rates ..	198	209	222	210	215	218	221	224	227	228
Prices received (1910-14=100) .....	471	469	509	459	465	482	501	521	538	545
Prices paid, etc. (Parity index) (1910-14=100) ....	647	686	730	692	710	717	727	735	744	747
Parity ratio <sup>3</sup> .....	73	68	70	66	65	67	69	71	72	73

<sup>1</sup> Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup> Includes sweetpotatoes and dry edible beans. <sup>3</sup> Ratio of index of prices received to index of prices paid, interest, taxes and wage rates. p Preliminary.

## Prices received by farmers, U.S. average

	January-June			1977	1978					
	1976	1977	1978p	June	Jan	Feb	Mar	Apr	May	June p
Crops										
All wheat (\$/bu.)	3.52	2.32	2.70	2.03	2.53	2.59	2.67	2.82	2.82	2.80
Rice, rough (\$/cwt.)	7.12	6.99	10.44	7.24	10.70	10.70	10.70	10.80	10.10	9.65
Corn (\$/bu.)	2.54	2.28	2.16	2.12	2.00	2.03	2.15	2.24	2.29	2.27
Sorghum (\$/cwt.)	4.14	3.40	3.49	3.12	3.15	3.20	3.37	3.62	3.87	3.72
All hay, baled (\$/ton)	56.48	63.35	51.93	61.30	50.50	51.80	51.40	51.40	55.30	51.20
Soybeans (\$/bu.)	4.83	8.02	6.21	8.13	5.75	5.53	6.20	6.49	6.77	6.52
Cotton, Upland (cts./lb.)	55.5	65.4	51.6	59.8	48.0	50.3	51.3	51.7	53.7	54.3
Potatoes (\$/cwt.)	3.93	4.83	3.68	4.61	3.21	3.19	3.24	3.39	3.97	5.10
Dry edible beans (\$/cwt.)	17.60	15.90	20.78	17.10	21.60	22.80	21.40	20.60	19.10	19.20
Apples for fresh use (cts./lb.)	8.6	12.5	17.0	12.1	12.6	13.6	14.8	15.2	20.1	25.5
Pears for fresh use (\$/ton)	209	121	1347	133	195	205	274	404	659	—
Oranges, all uses (\$/box) <sup>2</sup>	1.73	1.76	4.24	2.66	3.71	4.16	4.49	4.04	4.35	4.68
Grapefruit, all uses (\$/box) <sup>2</sup>	1.34	1.27	1.32	1.44	1.27	1.38	1.25	1.28	1.15	1.62
Livestock										
Beef cattle (\$/cwt.)	35.30	34.10	45.00	34.00	37.20	39.90	43.80	47.30	50.30	51.30
Calves (\$/cwt.)	35.70	36.40	50.80	35.80	40.80	44.50	49.10	52.90	58.30	59.00
Hogs (\$/cwt.)	47.50	38.90	46.50	42.00	43.90	47.90	46.80	44.80	47.80	47.70
Lambs (\$/cwt.)	51.90	50.60	64.20	50.90	61.00	62.60	67.70	64.20	67.20	62.80
All milk, sold to plants (\$/cwt.)	9.47	9.57	10.12	9.40	10.20	10.20	10.20	10.10	10.00	10.00
Milk, manuf. grade (\$/cwt.)	8.51	8.53	9.22	8.56	9.12	9.18	9.23	9.28	9.27	9.25
Broilers (cts./lb.)	24.4	23.9	26.2	24.9	22.8	24.3	24.8	28.1	27.2	30.2
Eggs (cts./doz.) <sup>3</sup>	55.6	57.1	50.8	47.3	49.4	55.1	55.4	52.2	49.3	43.6
Turkeys (cts./lb.)	32.2	33.2	38.5	34.2	38.0	37.1	37.8	37.9	39.6	40.8
Wool (cts./lb.) <sup>4</sup>	61.0	72.6	74.8	73.7	72.9	72.7	72.1	73.7	78.6	79.1

<sup>1</sup> Five month average. <sup>2</sup> Equivalent on-tree returns. <sup>3</sup> Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. <sup>4</sup> Average local market price, excluding incentive payments. p Preliminary.

# Producer and Retail Prices

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
Finished goods <sup>1</sup>	163.4	170.3	180.6	180.5	187.0	188.5	189.0	191.4	193.0	194.4
Consumer foods	181.0	180.2	189.1	190.7	195.0	199.6	200.1	204.6	206.9	209.4
Fruits and vegetables <sup>2</sup>	183.7	178.4	192.2	176.3	196.6	204.6	201.6	227.3	220.3	230.2
Eggs	159.8	179.1	162.0	141.4	145.2	170.3	167.4	152.3	141.2	127.5
Bakery products	178.6	180.0	186.2	185.3	193.0	193.6	194.4	195.2	197.5	198.9
Meats	188.7	173.6	170.7	171.7	185.9	198.2	197.6	205.3	216.0	220.4
Beef and veal	176.3	156.0	157.5	154.8	171.0	182.7	188.6	204.9	216.3	221.6
Pork	214.7	201.4	190.1	197.3	206.3	221.7	206.2	202.7	214.6	219.6
Poultry	184.1	166.2	173.3	178.1	169.1	183.7	184.4	189.6	189.2	210.7
Fish	218.7	272.4	294.3	295.3	293.5	288.5	291.4	296.0	297.1	295.1
Dairy products	155.8	168.5	173.4	174.3	178.0	178.7	180.3	184.5	184.5	185.4
Processed fruits and vegetables	169.8	170.2	187.3	187.7	194.3	194.6	195.6	196.4	197.3	198.7
Refined sugar <sup>3</sup>	n.a.	n.a.	n.a.	n.a.	100.1	112.0	108.6	104.0	107.6	107.3
Vegetable oil and products	211.5	174.2	198.7	216.3	194.5	193.9	206.6	216.8	219.8	217.9
Consumer finished goods less foods	153.1	161.8	172.1	171.9	177.4	177.6	178.2	180.4	181.6	182.6
Beverages, alcoholic	134.7	138.1	139.7	139.6	142.5	145.2	146.3	145.3	146.2	146.7
Beverages, nonalcoholic	186.1	187.2	198.1	198.0	204.7	207.3	207.3	209.2	211.0	211.7
Apparel	133.4	139.9	147.3	147.3	150.1	150.0	150.0	150.3	150.8	151.7
Footwear	147.8	158.9	168.9	168.2	173.4	175.7	176.2	180.5	181.4	181.6
Tobacco products	149.6	163.0	180.0	175.3	190.6	191.2	190.9	191.4	191.4	195.1
Intermediate materials <sup>4</sup>	180.0	189.3	201.7	202.1	207.2	208.9	210.7	212.4	213.7	214.8
Materials for food manufacturing	209.4	180.6	181.7	185.6	186.4	191.3	195.7	201.7	203.9	204.1
Flour	163.4	147.8	118.9	109.2	129.6	127.5	130.6	147.4	142.3	140.6
Refined sugar <sup>5</sup>	n.a.	n.a.	n.a.	n.a.	101.5	108.3	106.0	108.6	108.4	107.8
Crude vegetable oils	208.1	162.5	197.5	229.6	185.9	184.6	223.9	219.5	232.1	219.7
Crude materials <sup>4</sup>	196.9	205.1	214.4	215.4	219.6	225.0	231.2	238.9	241.1	245.3
Foodstuffs and feedstuffs	191.8	190.1	190.9	192.0	194.0	201.3	207.5	216.3	219.1	223.7
Fruits and vegetables <sup>2</sup>	183.7	178.4	192.2	176.3	196.6	204.6	201.6	227.3	220.3	230.2
Grains	223.9	205.9	165.3	157.7	169.1	170.8	178.9	198.7	189.2	188.1
Livestock	187.8	173.3	173.0	172.3	188.2	202.1	208.3	218.1	230.3	236.2
Poultry, live	189.8	166.9	175.4	182.7	170.2	188.8	187.9	196.0	194.5	221.6
Fibers, plant and animal	153.1	223.9	202.3	197.3	171.0	174.4	186.9	181.0	191.8	192.9
Milk	180.2	201.2	202.6	199.3	208.4	209.7	219.7	212.1	212.1	212.1
Oilseeds	198.5	204.4	236.8	281.1	206.1	195.5	224.0	232.6	234.4	229.6
Coffee, green	177.8	305.5	504.1	559.0	419.5	410.5	386.2	372.1	378.1	390.1
Tobacco, leaf	n.a.	164.2	n.a.	174.5	185.1	184.4	181.9	n.a.	n.a.	183.9
Sugar, raw cane	316.2	185.5	149.5	137.1	172.5	192.5	182.1	192.9	187.1	189.8
All commodities	174.9	183.0	194.2	194.5	200.1	202.0	203.8	206.4	207.9	209.4
Industrial commodities	171.5	182.4	195.1	194.7	201.6	202.8	204.1	206.0	207.3	208.5
All foods <sup>7</sup>	186.0	178.9	186.8	188.0	193.4	198.3	199.2	204.5	206.6	208.9
Farm products and processed foods and feeds	184.2	183.1	188.8	191.5	192.2	196.6	200.3	205.5	207.7	210.4
Farm products	186.7	191.0	192.5	192.8	192.2	198.9	205.3	213.6	215.7	219.5
Processed foods and feeds	182.6	178.0	186.1	190.1	191.5	194.6	196.8	200.2	202.5	204.6
Cereal and bakery products	178.0	172.1	173.2	171.1	184.3	184.7	185.7	188.6	188.2	189.0
Sugar and confectionery	254.3	190.9	177.8	176.3	185.8	193.8	192.9	196.9	197.1	198.0
Beverages	162.4	173.5	200.9	207.9	202.1	201.1	200.0	200.1	199.5	200.0
Wholesale spot prices, 9 foodstuffs	227.3	201.6	208.2	211.3	215.4	220.8	236.0	239.5	243.7	240.8

<sup>1</sup> Commodities ready for sale to ultimate consumer. <sup>2</sup> Fresh and dried. <sup>3</sup> Consumer size packages, Dec. 1977=100. <sup>4</sup> Commodities requiring further processing to become finished goods. <sup>5</sup> For use in food manufacturing. <sup>6</sup> Products entering market for first time which have not been manufactured at that point. <sup>7</sup> Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

# Consumer Price Index, U.S. average (not seasonally adjusted)\*

	January-June			1977	1978					
	1976	1977	1978	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
Consumer price index, all items	168.1	178.8	190.8	181.8	186.9	188.3	189.8	191.3	193.2	195.1
Consumer price index, less food	164.7	175.7	186.6	178.4	183.6	184.5	185.8	187.1	188.5	190.0
All food	179.9	189.3	205.1	193.6	198.2	201.3	203.6	205.6	209.3	212.8
Food away from home	183.3	196.4	210.3	200.6	207.2	208.1	209.3	210.9	212.4	214.1
Food at home	179.1	187.6	203.8	191.9	195.9	199.6	202.1	204.3	208.6	212.6
Meats <sup>1</sup>	181.3	171.3	196.0	174.4	182.2	187.5	192.0	197.1	202.8	214.3
Beef and veal	167.1	162.2	187.0	164.8	170.5	175.6	179.2	186.3	196.2	213.9
Pork	205.0	182.3	209.6	187.0	198.4	204.5	209.2	212.9	213.6	219.0
Poultry	159.3	154.8	168.0	157.6	158.0	161.3	165.4	169.8	171.4	181.9
Fish	221.4	244.0	266.8	250.8	265.1	264.9	265.4	266.5	268.4	270.5
Eggs	165.8	174.2	158.6	141.0	168.9	161.7	165.3	160.3	152.1	143.4
Dairy products <sup>2</sup>	168.0	172.1	180.8	174.3	177.5	179.4	179.9	181.4	182.8	183.8
Fats and oils <sup>3</sup>	174.6	184.3	201.1	194.7	196.3	197.7	199.3	200.1	204.0	209.1
Fruits and vegetables	175.4	194.0	209.0	196.8	191.8	199.4	205.1	208.9	222.8	226.0
Fresh	168.9	200.2	212.6	202.1	185.9	196.5	205.9	212.5	235.3	239.5
Processed	185.0	184.8	203.7	188.9	200.5	203.7	203.9	203.7	204.4	205.8
Cereals and bakery products	181.0	181.5	195.4	182.8	190.8	194.5	194.4	194.8	198.2	199.4
Sugar and sweets	221.8	224.0	255.0	232.8	245.4	252.7	255.5	257.9	259.0	259.8
Beverages, nonalcoholic	197.6	302.1	325.4	348.7	332.4	331.0	329.7	323.9	320.4	315.3
Apparel commodities less footwear	142.6	148.4	153.2	150.2	151.0	151.7	153.2	153.9	154.6	154.5
Footwear	147.7	155.5	161.4	156.8	158.2	159.8	161.5	162.5	163.3	162.8
Tobacco products	159.5	166.0	174.1	166.4	173.4	173.8	174.1	174.3	174.4	174.7
Beverages, alcoholic	145.5	149.6	157.6	150.7	153.9	155.4	156.9	158.4	160.0	161.0

<sup>1</sup> Beef, veal, lamb, mutton, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter. \* Unrevised CPI.

## Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)\*

	1977	1978								
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Consumer price index, all items	186.1	187.2	188.4	189.8	191.5	193.3	195.3			
Consumer price index, less food	183.1	183.8	184.7	185.9	187.4	189.0	190.6			
All food	196.3	199.2	202.0	204.2	207.5	210.3	213.8			
Food away from home	206.2	208.2	210.5	212.3	214.0	215.8	217.8			
Food at home	193.7	197.0	200.1	202.5	206.5	209.7	213.9			
Meats <sup>1</sup>	178.3	183.1	188.7	193.6	200.8	206.2	216.5			
Beef and veal	168.0	171.1	177.0	182.0	191.9	201.0	216.0			
Pork	191.7	199.6	205.2	208.4	211.5	211.3	215.8			
Poultry	153.6	157.5	161.5	163.9	169.3	171.0	178.4			
Fish	262.6	266.3	266.5	267.4	271.6	272.8	273.5			
Eggs	148.6	156.1	159.1	160.7	155.3	147.4	137.0			
Dairy products <sup>2</sup>	176.9	177.7	178.8	179.3	181.6	183.5	184.8			
Fats and oils <sup>3</sup>	196.1	198.1	198.9	200.4	204.5	207.9	210.9			
Fruits and vegetables	192.5	197.2	200.9	203.8	210.9	219.3	223.5			
Fresh	188.0	195.0	200.3	204.6	217.3	233.3	240.1			
Processed	199.2	201.5	203.3	204.6	205.7	205.9	207.0			
Cereals and bakery products	189.0	191.3	193.1	194.4	195.2	197.5	199.6			
Sugar and sweets	239.7	244.9	248.1	251.7	254.9	256.4	259.0			
Beverages, nonalcoholic	334.3	337.1	339.5	341.7	342.9	341.6	341.6			
Apparel commodities less footwear	154.5	151.1	149.2	151.4	153.5	154.8	154.7			
Footwear	159.6	158.8	159.3	160.7	161.7	163.4	163.8			
Tobacco products	173.0	173.3	173.6	173.6	173.9	174.0	174.9			
Beverages, alcoholic	153.2	154.2	155.4	156.5	157.9	159.2	159.5			

<sup>1</sup> Beef, veal, lamb, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.

\* Revised indexes; not directly comparable with CPI previously published in AO.



# Farm-Retail Price Spreads

## Farm-retail price spreads.

	January-June			1977p		1978p				
	1976	1977p	1978p	June	Jan	Feb	Mar	Apr	May	June
Market basket <sup>1</sup> :										
Retail cost (1967=100) .....	176.0	177.9	193.0	179.3	184.2	188.1	190.7	193.3	198.2	203.2
Farm value (1967=100) .....	182.9	177.7	202.0	178.0	186.2	191.3	199.6	207.6	212.1	215.4
Farm-retail spread (1967=100) .....	171.7	178.1	187.2	180.1	183.0	186.0	185.1	184.2	189.4	195.5
Farmer's share (%) .....	40	39	40	39	39	38	41	42	42	41
Beef, choice:										
Retail price <sup>2</sup> (cts./lb.) .....	141.8	135.8	161.8	137.4	148.2	151.2	154.6	162.9	172.7	181.3
Carcass value <sup>3</sup> (cts.) .....	91.4	88.1	113.2	91.0	99.4	102.6	108.1	117.4	127.4	124.2
Net farm value (cts./2.28 lbs.) .....	80.4	77.4	101.7	79.9	86.6	89.8	98.1	106.6	116.9	112.2
Farm-retail spread (cts.) .....	61.4	58.4	60.1	57.5	61.6	61.4	56.5	56.3	55.8	69.1
Carcass-retail spread <sup>4</sup> (cts.) .....	50.4	47.7	48.6	46.4	48.8	48.6	46.5	45.5	45.3	57.1
Farm-carcass spread <sup>5</sup> (cts.) .....	11.0	10.7	11.5	11.1	12.8	12.8	10.0	10.8	10.5	12.0
Farmer's share (%) .....	57	57	63	58	58	59	63	65	68	62
Pork:										
Retail price <sup>2</sup> (cts./lb.) .....	140.0	121.2	139.7	125.7	133.8	138.4	139.4	140.9	141.4	144.2
Wholesale value <sup>3</sup> (cts.) .....	100.5	84.9	95.9	90.2	91.5	96.5	96.4	95.7	98.1	97.0
Net farm value (cts./1.97 lbs.) .....	87.5	70.5	85.0	78.0	82.3	87.6	84.2	81.9	87.8	86.1
Farm-retail spread (cts.) .....	52.5	50.7	54.7	47.7	51.5	50.8	55.2	59.0	53.6	58.1
Carcass-retail spread <sup>4</sup> (cts.) .....	39.5	36.3	43.8	35.5	42.3	41.9	43.0	45.2	43.3	47.2
Farm-carcass spread <sup>5</sup> (cts.) .....	13.0	14.4	10.9	12.2	9.2	8.9	12.2	13.8	10.3	10.9
Farmer's share (%) .....	62	58	61	62	62	63	60	58	62	60
Milk, fresh:										
Retail price (cts./% gal.) .....	82.5	83.5	86.2	83.8	84.5	85.3	85.8	86.7	87.2	87.5
Farm value (cts./4.39 lbs. Class I) .....	46.2	44.7	47.8	45.6	47.3	47.6	47.3	49.1	47.6	47.9
Farm-retail spread (cts.) .....	36.3	38.8	38.4	38.2	37.2	37.7	38.5	37.6	39.6	39.6
Farmer's share (%) .....	56	54	55	54	56	56	55	57	55	55
Chicken, frying:										
Retail price (cts./lb.) .....	61.3	59.5	64.2	60.5	59.8	61.3	63.1	65.1	65.6	70.1
Farm value (cts./1.41 lbs. broilers) .....	34.0	33.1	35.6	35.2	31.2	32.9	33.7	39.5	34.8	41.6
Farm-retail spread (cts.) .....	27.3	26.4	28.6	25.3	28.6	28.4	29.4	25.6	30.8	28.5
Farmer's share (%) .....	55	56	55	58	52	54	53	61	53	59
Eggs, large grade A:										
Retail price (cts./doz.) .....	81.2	85.9	78.3	68.4	82.7	80.8	81.8	79.4	74.7	70.6
Farm value (cts./1.03 doz.) .....	54.2	56.6	48.4	41.3	54.2	51.5	52.3	50.2	43.3	39.0
Farm-retail spread (cts.) .....	27.0	29.3	29.9	27.1	28.5	29.3	29.5	29.2	31.4	31.6
Farmer's share (%) .....	67	66	62	60	66	64	64	63	58	55
Bread, white:										
Retail price (cts./lb.) .....	35.3	35.4	36.3	35.2	35.0	36.1	36.2	35.9	36.8	37.8
Farm value (cts./0.867 lb. wheat) .....	4.3	2.6	3.2	2.2	3.0	2.9	3.0	3.5	3.4	3.3
Farm value (cts. for all farm ingredients) .....	6.2	4.4	5.2	4.0	4.9	4.9	5.1	5.6	5.4	5.4
Farm-retail spread (cts.) .....	29.1	31.0	31.1	31.2	30.1	31.2	31.1	30.3	31.4	32.4
Farmer's share (%) .....	18	12	14	11	14	14	14	16	15	14
Lettuce:										
Retail price (cts./head) .....	41.2	45.2	67.9	45.2	50.6	64.8	50.1	58.8	102.8	80.5
Farm value (cts./1.88 lbs.) .....	14.1	14.0	25.6	10.4	19.8	22.0	14.8	26.3	36.9	34.1
Farm-retail spread (cts.) .....	27.1	31.2	42.3	34.8	30.8	42.8	35.3	32.5	65.9	46.4
Farmer's share (%) .....	34	31	38	23	39	34	30	45	36	42
Potatoes:										
Retail price (cts./10 lbs.) .....	158.7	153.3	140.0	197.3	129.0	130.5	132.9	134.7	141.1	171.6
Farm value (cts./10.42 lbs.) .....	50.3	40.9	38.3	48.0	33.4	33.2	33.7	35.3	41.3	53.1
Farm-retail spread (cts.) .....	108.4	112.4	101.7	149.3	95.6	97.3	99.2	99.4	99.8	118.5
Farmer's share (%) .....	32	27	27	24	26	25	25	26	29	31
Tomatoes:										
Retail price (cts./lb.) .....	58.5	73.5	69.5	57.7	72.1	56.8	70.2	63.5	89.4	65.2
Farm value (cts./1.18 lbs.) .....	23.1	30.4	29.8	21.9	27.8	20.8	25.4	39.6	31.4	34.0
Farm-retail spread (cts.) .....	35.4	43.1	39.7	35.8	44.3	36.0	44.8	23.9	58.0	31.2
Farmer's share (%) .....	39	41	43	38	39	37	36	62	35	52
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can) .....	29.2	31.6	43.7	33.8	42.2	43.3	43.8	44.1	44.5	44.2
Farm value (cts./3.08 lbs.) .....	10.4	9.6	17.8	10.8	13.2	15.3	18.6	19.8	19.9	20.3
Farm-retail spread (cts.) .....	18.8	22.0	25.9	23.0	29.0	28.0	25.2	24.3	24.6	23.9
Farmer's share (%) .....	36	30	41	32	31	35	42	45	45	46
Margarine:										
Retail price (cts./lb.) .....	53.1	54.6	61.0	58.2	58.6	59.4	60.8	60.9	62.4	63.6
Farm value (cts. for veg. oil and NFDM) .....	14.4	22.1	20.5	24.1	17.8	17.9	20.1	21.9	23.5	21.6
Farm-retail spread (cts.) .....	38.7	32.5	40.5	34.1	40.8	41.5	40.7	39.0	38.9	42.0
Farmer's share (%) .....	27	40	34	41	30	30	33	36	38	34

<sup>1</sup> For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. <sup>2</sup> Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from 8LS and food chain prices. <sup>3</sup> For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. <sup>4</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>5</sup> Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

# Farm-retail spreads for selected foods

Second Quarter

Commodities in retail units	Retail price (cents)			Farm value (cents)			Farm-retail spread (cents)			Farmer's share (percent)		
	1976	1977	1978 <sup>1</sup>	1976	1977	1978 <sup>1</sup>	1976	1977	1978 <sup>1</sup>	1976	1977	1978 <sup>1</sup>
Beef, Choice (lb.)	141.5	136.6	172.3	83.1	80.4	111.9	58.4	56.2	60.4	59	59	65
Lamb, Choice (lb.)	189.0	183.4	227.2	118.9	108.0	134.6	70.1	75.4	92.6	63	59	59
Pork (lb.)	138.5	121.8	142.2	88.7	72.1	85.3	49.8	49.7	56.9	64	59	60
Butter (lb.)	120.4	132.5	141.9	80.1	85.3	91.2	40.3	47.2	50.7	67	64	64
Cheese, American process (½ lb.)	84.4	86.5	93.5	40.9	41.9	45.0	43.5	44.6	48.5	48	48	48
Ice cream (½ gal.)	126.3	133.8	143.7	45.5	46.3	50.2	80.8	87.5	93.5	36	35	35
Milk, evaporated (14½ oz.)	34.1	35.9	38.9	16.6	17.4	18.3	17.5	18.5	20.6	49	48	47
Milk, fresh:												
Sold in stores (½ gal.)	82.4	83.5	87.1	44.9	44.7	48.2	37.5	38.8	38.9	54	54	55
Chicken, frying (lb.)	60.7	60.8	66.9	32.9	34.6	38.6	26.8	26.2	28.3	54	57	58
Turkey (lb.)	74.3	70.6	81.1	40.6	43.2	50.5	33.7	27.4	30.6	55	61	62
Eggs, large Grade A (doz.)	76.4	74.9	74.9	50.2	48.1	44.2	26.2	26.8	30.7	66	64	59
Bread, white:												
All ingredients (lb.)	35.3	35.5	36.8	6.1	4.3	5.5	29.2	31.2	31.3	17	12	15
Wheat (lb.)	—	—	—	4.2	2.5	3.4	—	—	—	12	7	9
Bread, whole wheat (lb.)	57.5	59.8	63.0	5.4	4.3	5.1	52.1	55.5	57.9	9	7	8
Cookies, sandwich (lb.)	95.8	99.6	113.0	10.5	11.4	12.1	85.3	88.2	100.9	11	11	11
Corn flakes (12 oz.)	51.6	56.3	60.4	4.5	3.9	4.0	47.1	52.4	56.4	9	7	7
Flour, white (5 lb.)	92.9	86.3	89.0	33.3	19.7	27.6	59.6	66.6	61.4	36	23	31
Rice, long grain (lb.)	43.9	39.5	47.3	10.2	10.4	14.8	33.7	29.1	32.5	23	26	31
Apples (lb.)	33.2	41.5	51.9	8.9	12.5	21.1	24.3	29.0	30.8	27	30	41
Grapefruit (ea.)	20.6	22.2	22.7	4.0	4.2	4.0	16.6	18.0	18.7	19	19	18
Lemons (lb.)	44.9	41.8	50.4	8.6	7.8	9.5	36.3	34.0	40.9	19	19	18
Oranges (doz.)	107.1	121.8	151.7	20.4	26.1	40.2	86.7	95.7	111.5	19	21	26
Cabbage (lb.)	16.0	28.3	26.3	4.9	8.4	10.5	11.1	19.9	15.8	31	30	40
Carrots (lb.)	23.5	32.6	29.7	6.9	10.6	8.9	16.6	22.0	20.8	29	33	30
Celery (lb.)	29.2	34.8	44.6	7.7	9.7	16.1	21.5	25.1	28.5	26	28	36
Cucumbers (lb.)	35.3	44.4	51.5	11.0	12.4	24.5	24.3	32.0	27.0	31	28	48
Lettuce (head)	42.1	44.3	80.7	12.9	10.4	32.4	29.2	33.9	48.3	31	23	40
Onions (lb.)	24.5	38.2	26.9	7.7	15.0	10.1	16.8	23.2	16.8	31	39	38
Peppers, green (lb.)	69.0	85.3	87.0	27.0	27.4	39.0	42.0	57.9	48.0	39	32	45
Potatoes (10 lb.)	167.6	170.6	149.1	51.3	45.1	43.2	116.3	125.5	105.9	31	26	29
Tomatoes (lb.)	59.6	75.1	72.7	24.1	26.7	35.0	35.5	48.4	37.7	40	36	48
Peaches, canned (no. 2½)	58.5	61.5	63.2	14.2	13.2	12.7	44.3	48.3	50.5	24	21	20
Pears, canned (No. 2½)	70.9	71.3	74.6	15.3	12.3	13.2	55.6	59.0	61.4	22	17	18
Beets, canned (No. 303)	31.8	34.0	37.1	2.4	2.3	2.3	29.4	31.7	34.8	8	7	6
Corn, canned (No. 303)	35.2	32.9	32.1	5.6	5.4	5.5	29.6	27.5	26.6	16	16	17
Peas, canned (No. 303)	38.1	38.4	37.9	8.0	7.2	7.4	30.1	31.2	30.5	21	19	20
Tomatoes, canned (No. 303)	34.8	38.9	38.0	4.8	4.4	4.9	30.0	34.5	33.1	14	11	13
Lemonade, frozen (6-oz. can)	22.9	23.0	24.0	3.9	2.7	2.6	19.0	20.3	21.4	17	12	11
Orange juice, frozen (6-oz. can)	29.2	33.6	44.3	11.1	9.8	20.0	18.1	23.8	24.3	38	29	45
Potatoes, french fried, frozen (9 oz.)	27.4	28.0	30.5	6.0	4.5	4.2	21.4	23.5	26.3	22	16	14
Peas, frozen (10 oz.)	34.9	37.2	40.6	7.3	6.5	6.6	27.6	30.7	34.0	21	17	16
Beans, dried (lb.)	51.5	40.3	52.4	17.3	17.2	19.5	34.2	23.1	32.9	34	43	37
Margarine (lb.)	51.4	56.1	62.3	14.4	24.4	22.3	37.0	31.7	40.0	28	43	36
Peanut butter (12-oz. jar)	70.1	73.1	75.4	25.8	28.7	30.5	44.3	44.4	44.9	37	39	40
Salad and cooking oil (24-oz. bottle)	94.0	105.3	114.4	23.3	38.6	34.4	70.7	66.7	80.0	25	37	30
Vegetable shortening (3 lb.)	151.7	160.2	166.5	49.4	85.7	77.1	102.3	74.5	89.4	33	53	46
Sugar (5 lb.)	124.8	111.1	122.9	53.2	43.3	53.8	71.6	67.8	69.1	43	39	44
Spaghetti, canned (15½ oz. can)	26.8	27.5	29.8	3.7	2.9	3.2	23.1	24.6	26.6	14	11	11

<sup>1</sup> Preliminary.

# Price spreads for beef and pork

	Retail price per pound <sup>1</sup>	Carcass value <sup>2</sup>	Gross farm values <sup>3</sup>	Byproduct allowance <sup>4</sup>	'Net value' <sup>5</sup>	Farm-retail spread			Farmer's share
						Total	Carcass- retail <sup>6</sup>	Farm- carcass <sup>7</sup>	
Beef, Choice grade									
1971 .....	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972 .....	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973 .....	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974 .....	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975 .....	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1976 .....	138.9	88.6	86.3	8.4	77.9	61.0	50.3	10.7	56
1977 .....	138.3	91.0	89.0	9.1	79.9	58.4	47.3	11.1	58
1975									
Jan.-Mar. ....	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
Apr.-June ....	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
July-Sept. ....	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
Oct.-Dec. ....	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1976									
Jan.-Mar. ....	142.1	89.8	85.3	7.6	77.7	64.4	52.3	12.1	55
Apr.-June ....	141.5	93.0	91.9	8.8	83.1	58.4	48.5	9.9	59
July-Sept. ....	136.1	83.8	82.1	9.0	73.1	63.0	52.3	10.7	54
Oct.-Dec. ....	136.0	88.0	85.8	8.0	77.8	58.2	48.0	10.2	57
1977									
Jan.-Mar. ....	135.1	85.3	83.3	9.0	74.3	60.8	49.8	11.0	55
Apr.-June ....	136.6	90.8	90.1	9.7	80.4	56.2	45.8	10.4	59
July-Sept. ....	138.8	91.4	88.9	8.7	80.2	58.6	47.4	11.2	58
Oct.-Dec. ....	142.7	96.4	93.6	9.0	84.6	58.1	46.3	11.8	59
1978									
Jan.-Mar. ....	151.3	103.4	101.2	9.7	91.5	59.8	47.9	11.9	60
Apr.-June ....	172.3	123.0	122.9	11.0	111.9	60.4	49.3	11.1	65
Pork									
1971 .....	70.3	52.1	35.1	2.8	32.3	38.0	18.2	19.8	46
1972 .....	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973 .....	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974 .....	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975 .....	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1976 .....	134.3	93.6	84.4	6.0	78.5	55.8	40.7	15.1	58
1977 .....	125.4	87.6	79.4	6.0	73.4	52.0	37.8	14.2	59
1975									
Jan.-Mar. ....	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
Apr.-June ....	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
July-Sept. ....	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
Oct.-Dec. ....	153.4	114.1	100.9	7.3	93.6	59.8	39.3	20.5	61
1976									
Jan.-Mar. ....	141.5	100.3	92.5	6.2	86.4	55.1	41.2	13.9	61
Apr.-June ....	138.5	100.6	95.0	6.3	88.7	49.8	37.9	11.9	64
July-Sept. ....	137.4	93.1	84.5	6.1	78.4	59.0	44.3	14.7	57
Oct.-Dec. ....	119.8	80.2	65.5	5.0	60.5	59.3	39.6	19.7	50
1977									
Jan.-Mar. ....	120.6	84.1	75.0	6.1	68.9	51.7	36.5	15.2	57
Apr.-June ....	121.8	85.7	78.6	6.5	72.1	49.7	36.1	13.6	59
July-Sept. ....	131.1	89.3	84.4	6.0	78.4	52.7	41.8	10.9	60
Oct.-Dec. ....	128.3	91.3	79.6	5.6	74.0	54.3	37.0	17.3	58
1978									
Jan.-Mar. ....	137.2	94.8	91.5	6.8	84.7	52.5	42.4	10.1	62
Apr.-June ....	144.2	96.9	92.4	8.8	85.3	56.9	45.3	11.6	60

<sup>1</sup> Composite monthly average prices of all cuts adjusted for volume sold at special prices—derived from 8LS and food chain prices. <sup>2</sup> For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 and later data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. <sup>3</sup> Payment to farmers for quantity of live animal equivalent to 1 retail pound: Beef, 2.28 lb. and pork 1.97 lb. <sup>4</sup> Portion of gross farm value attributed to edible and inedible byproducts. <sup>5</sup> Gross farm value minus byproduct allowance. <sup>6</sup> Includes not only gross margin for retailing but also charges made for other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>7</sup> Includes changes made for livestock marketing, processing, and transportation to city where consumed.



# Market basket of farm foods<sup>1</sup>

Product group	Annual			1977 <sup>2</sup>			1978 <sup>3</sup>	
	1975	1976 <sup>2</sup>	1977 <sup>2</sup>	II <sup>2</sup>	III	IV	I	II
	Dollars							
<b>Retail cost</b>								
Meat .....	582.68	583.63	569.60	560.71	579.03	580.57	612.20	667.94
Dairy .....	302.65	331.18	340.72	338.80	341.81	346.41	353.21	359.39
Poultry .....	75.42	72.54	73.05	73.67	74.92	72.54	75.51	81.57
Eggs .....	55.24	61.71	59.66	54.51	58.89	54.48	59.86	54.63
Bakery and cereal .....	304.29	299.45	304.40	304.11	303.27	310.06	320.52	329.75
Fresh fruits .....	74.82	75.12	87.52	87.90	92.61	89.12	93.71	105.57
Fresh vegetables .....	114.07	120.77	135.26	148.75	127.72	122.89	129.72	156.72
Proc. fruits and veg. ....	187.40	189.59	198.46	197.25	199.45	204.43	208.67	208.48
Fats and oils .....	81.39	69.54	75.56	74.40	78.92	77.62	77.79	80.54
Miscellaneous .....	98.12	91.91	92.30	92.08	91.76	93.91	96.81	97.60
Total .....	1,876.08	1,895.44	1,936.51	1,932.19	1,948.39	1,952.00	2,028.00	2,142.19
<b>Farm value</b>								
Meat .....	347.51	313.94	313.36	314.92	321.39	320.84	355.67	398.45
Dairy .....	149.50	170.12	171.32	169.71	174.52	174.44	178.75	182.64
Poultry .....	44.21	39.63	40.54	42.25	43.06	38.07	40.71	47.42
Eggs .....	36.46	42.11	39.10	35.03	39.14	34.77	38.55	32.22
Bakery and cereal:								
All ingredients .....	56.60	46.11	39.27	38.72	37.52	40.91	44.70	48.57
Grain .....	39.30	32.74	25.20	23.60	23.95	27.25	29.39	32.25
Fresh fruits .....	22.80	21.18	25.58	23.73	27.52	28.38	28.06	33.53
Fresh vegetables .....	39.58	39.78	44.31	44.07	38.65	38.89	40.46	58.43
Proc. fruits and veg. ....	40.04	38.34	35.64	35.25	35.52	37.19	39.33	41.26
Fats and oils .....	27.76	22.57	27.26	32.26	25.75	24.34	25.52	29.77
Miscellaneous .....	19.64	13.82	12.43	12.57	11.86	12.97	14.39	14.79
Total .....	784.42	747.59	748.82	748.49	754.93	750.81	806.14	887.07
<b>Farm-retail spread</b>								
Meat .....	235.17	269.69	256.24	245.79	257.64	259.73	256.53	269.49
Dairy .....	153.15	161.06	169.40	169.09	167.29	171.97	174.46	176.75
Poultry .....	31.21	32.91	32.51	31.42	31.86	34.47	34.80	34.15
Eggs .....	18.78	19.60	20.56	19.48	19.75	19.71	21.31	22.41
Bakery and cereal:								
All ingredients .....	247.69	253.34	265.13	265.39	265.75	269.15	275.82	281.18
Grain .....	52.02	53.94	61.94	64.17	65.09	60.74	65.65	72.04
Fresh fruits .....	74.49	80.99	90.95	104.68	89.07	84.00	89.26	98.29
Fresh vegetables .....	147.36	151.25	162.82	162.00	163.93	167.24	169.34	167.22
Proc. fruits and veg. ....	53.63	46.97	48.30	42.14	53.17	53.28	52.27	50.77
Fats and oils .....	78.48	78.09	79.87	79.51	79.90	80.94	82.42	82.81
Miscellaneous .....	1,091.66	1,147.85	1,187.69	1,183.70	1,193.46	1,201.19	1,221.86	1,255.12
Total .....								
	Percent							
<b>Farmer's share</b>								
Meat .....	60	54	55	56	56	55	58	60
Dairy .....	49	51	50	50	51	50	51	51
Poultry .....	59	55	56	57	57	52	54	58
Eggs .....	66	68	66	64	66	64	64	59
Bakery and cereal:								
All ingredients .....	19	15	13	13	12	13	14	15
Grain .....	13	11	8	8	8	9	8	10
Fresh fruits .....	30	28	29	27	30	32	30	32
Fresh vegetables .....	34	33	33	30	30	32	31	37
Proc. fruits and veg. ....	21	20	18	18	18	18	19	20
Fats and oils .....	34	32	36	43	33	31	33	37
Miscellaneous .....	20	15	13	14	13	14	15	15
Average .....	42	39	39	39	39	38	40	41

<sup>1</sup> Annual rate. See footnote 1 on monthly farm-retail price spread table (page 28) for description of data. <sup>2</sup> Revised. <sup>3</sup> Preliminary.

## Food marketing: Spreads, costs, and profit rates

Year	Farm-retail price spread	Intermediate goods and services <sup>1</sup>				Interest rate <sup>3</sup>	Profit rates after taxes			
		Total	Containers packaging	Fuel, power, and light	Hourly earnings <sup>2</sup>		Food retailers <sup>4</sup>		Food manufacturers <sup>5</sup>	
							Sales	Equity	Sales	Equity
		1967=100		Dollars		Percent				
1970	113.5	113	108	108	3.03	8.48	—	—	2.5	10.8
1971	116.6	120	113	120	3.24	6.32	—	—	2.6	11.0
1972	119.0	126	117	126	3.45	5.82	—	—	2.6	11.2
1973	126.5	134	123	138	3.66	8.30	—	—	2.6	12.8
1974	151.5	159	151	202	3.99	11.28	—	—	2.9	13.9
1975	165.0	180	174	237	4.40	8.65	0.5	6.8	3.2	14.4
1976 <sup>4</sup>	173.5	193	184	258	4.77	7.52	.8	10.0	3.4	14.9
1977 <sup>4</sup>	179.5	208	195	310	5.18	—	.8	10.8	3.1	13.2
1975										
I	166.1	176	173	231	4.28	9.94	-.4	-5.5	2.4	10.7
II	161.9	178	174	237	4.34	8.16	.8	10.5	3.3	15.0
III	163.4	181	174	238	4.43	8.22	.8	9.9	3.7	17.2
IV	168.8	184	176	241	4.55	8.29	.9	11.5	3.2	14.0
1976 <sup>4</sup>										
I	172.6	186	179	243	4.65	7.54	.7	9.4	3.1	13.3
II	170.8	191	185	252	4.73	7.44	.9	11.6	3.7	16.4
III	174.4	194	185	260	4.81	7.80	.7	8.9	3.9	16.8
IV	176.3	198	187	278	4.91	7.28	.8	10.7	3.1	13.1
1977 <sup>4</sup>										
I	177.2	202	189	301	5.04	7.48	.8	10.5	2.7	11.4
II	178.9	207	195	306	5.12	7.37	.9	11.4	3.5	15.0
III	180.4	211	197	315	5.19	7.87	.6	7.4	3.1	13.1
IV	181.6	213	199	317	5.33	—	1.0	13.6	3.2	13.6
1978 <sup>4</sup>										
I	184.7	217	203	321	5.46	—	.8	10.5	2.7	11.4
II	189.7	219	207	327	5.53	—	—	—	—	—

<sup>1</sup> Represents all goods purchased by food marketing firms except raw materials and plant and equipment, and all services except those performed by employees, calculated from wholesale price relatives. <sup>2</sup> Weighted composite of production employees in food manufacturing and nonsupervisory employees in wholesale and retail trade, calculated from data of the U.S. Department of Labor. <sup>3</sup> Bank rates on short-term business loans in 35 centers, Department of Commerce. Series revised beginning 1977 and is not strictly comparable with earlier data. Revised series is for short-term commercial and industrial loans and is from survey of terms of bank lending. <sup>4</sup> Federal Trade Commission. These data are based on reports from all food retailing corporations having more than \$100 million in annual sales, and whose activities are at least 75 percent specialized in supermarket operations. Comparable data not available prior to third quarter 1974. <sup>5</sup> "Quarterly Financial Report," Federal Trade Commission. Data represent national aggregate estimates for corporations based upon a sample of company reports. Data since the fourth quarter of 1973 are imperfectly comparable with prior data because of changes in accounting methods. <sup>6</sup> Preliminary.

## Transportation Data

### Rail rates, grain and fruit and vegetable shipments

	January-June			1977 June	1978					
	1976	1977	1978		Jan	Feb	Mar	Apr	May	June
Rail freight rate index <sup>1</sup>										
All products (1969=100)	183.9	198.2	208.1	198.2	207.8	207.8	208.0	208.1	208.2	208.4
Farm products (1969=100)	179.9	190.2	200.4	190.6	200.9	200.1	200.1	200.1	200.1	200.8
Food products (1969=100)	182.3	194.4	204.6	193.9	204.0	203.9	204.6	204.6	205.2	205.5
Rail carloadings of grain (thou. cars) <sup>2</sup>	24.6	22.9	24.3	24.7	21.5	21.7	23.7	23.8	25.4	29.7
Barge shipments of grain (mil. bu.) <sup>3</sup>	31.0	27.1	28.9	29.2	25.0	19.5	24.2	34.2	34.4	35.7
Fresh fruit and vegetable shipments										
Rail (thou. carlots) <sup>4</sup>	3.8	2.4	\$1,074	\$2,468	\$1,106	\$946	\$1,184	\$1,023	\$1,110	\$1,332
Truck (thou. carlots) <sup>4</sup>	17.0	15.0	\$7,067	\$8,546	\$6,242	\$6,773	\$8,238	\$6,464	\$7,853	\$8,401

<sup>1</sup> Department of Labor, Bureau of Labor Statistics. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1977 and 1978. <sup>5</sup> Shipments reported in 1000 hundredweight. Typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 60,000 pounds.

# Livestock and Products

## Livestock and products output and prices

	1976	1977					1978				
	Annual	I	II	III	IV	Annual	I	II	III <sup>1</sup>	IV <sup>1</sup>	Annual <sup>1</sup>
Beef (mil. lb.)	25,667	6,287	6,158	6,321	6,220	24,986	6,104	5,936	6,050	5,900	23,990
Change (pct.) <sup>2</sup>	+8	-3	0	-4	-3	-3	-3	-4	-4	-5	-4
Pork (mil. lb.)	12,488	3,294	3,184	3,073	3,500	13,051	3,242	3,264	3,250	3,550	13,306
Change (pct.) <sup>2</sup>	+8	+11	+12	+2	-5	+5	-2	+3	+6	+1	+2
Veal (mil. lb.)	813	201	187	205	201	794	178	149	140	145	612
Change (pct.) <sup>2</sup>	-2	-2	+5	0	-10	-2	-11	-20	-32	-28	-23
Lamb and mutton (mil. lb.)	361	90	86	84	81	341	75	76	78	75	304
Change (pct.) <sup>1</sup>	-10	-5	+5	-9	-12	-6	-17	-12	-7	-4	-11
Red meats (mil. lb.)	39,329	9,872	9,615	9,683	10,002	39,172	9,599	9,425	9,518	9,670	38,212
Change (pct.) <sup>2</sup>	+8	+1	+4	-2	-4	0	-3	-2	-2	-3	-2
Broilers (mil. lb.)	8,988	2,156	2,399	2,424	2,248	9,227	2,327	2,560	2,645	2,515	10,047
Change (pct.) <sup>2</sup>	+13	+2	+4	+2	+3	+3	+8	+7	+9	+12	+9
Turkeys (mil. lb.)	1,950	210	365	672	645	1,892	228	397	705	670	2,000
Change (pct.) <sup>2</sup>	+14	+1	-1	-5	-3	-3	+9	+9	+5	+4	+6
Total meats (mil. lb.)	50,267	12,238	12,379	12,779	12,895	50,291	12,154	12,382	12,868	12,855	50,259
Change (pct.) <sup>2</sup>	+9	+1	+4	-2	-3	0	-1	0	+1	0	0
Eggs (mil. doz.)	5,377	1,324	1,335	1,330	1,414	5,403	1,373	1,380	1,360	1,395	5,508
Change (pct.) <sup>2</sup>	0	-1	0	0	+5	0	+4	+3	+2	-1	+2
Milk (bil. lb.)	120.3	29.8	33.1	30.9	29.0	<sup>3</sup> 123.0	29.9	32.8	30.4	28.6	121.7
Change (pct.) <sup>2</sup>	+4	+2	+2	+3	+2	+2	0	-1	-2	-1	+1
Total livestock and products (1974=100)	105.5	103.1	107.5	107.5	106.5	106.2	103.0	107.3	107.4	105.4	105.7
Change (pct.) <sup>2</sup>	+6.6	+1.1	+2.8	-6	-7	+7	-1	-2	-1	-1.0	-5
Prices											
Choice steers, Omaha (\$ per cwt.)	39.11	37.88	40.77	40.47	42.42	40.38	45.77	55.06	54-56	54-56	-
Barrows and gilts, 7-markets (\$ per cwt.)	43.11	39.08	40.87	43.85	41.38	41.07	47.44	47.84	46-48	45-47	-
Broilers, 9-city wholesale (cts. per lb.) <sup>4</sup>	40.2	40.9	42.3	42.4	37.6	40.8	41.8	47.6	48-50	43-45	-
Turkeys, N.Y., wholesale (cts. per lb.) <sup>5</sup>	48.8	50.2	51.5	53.1	61.3	54.0	60.2	61.4	64-66	64-66	-
Eggs, cartoned, Grade A large, N.Y. (cts. per doz)	70.3	74.9	57.8	61.5	58.9	63.3	62.0	53.5	60-62	63-65	-
Milk, all at farm, (\$ per cwt.)	9.66	9.54	9.40	9.71	10.17	9.71	10.20	10.03	10.45-10.60	11.10-11.40	10.40-10.60
Livestock prices received by farmers (1967=100)	177	172	174	178	177	175	195	215	226	223	215

<sup>1</sup> Forecast. <sup>2</sup> Change from year-earlier. <sup>3</sup> Does not add due to rounding of quarterly data. <sup>4</sup> Weighted average. <sup>5</sup> 8-16 pound young hens.



## Dairy:

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
<b>Milk production:</b>										
Total milk (mil. lb.)	115,334	120,269	122,957	11,021	9,988	9,341	10,528	10,686	11,219	10,928
Milk per cow (lb.)	10,350	10,879	11,194	1,004	914	856	967	982	1,032	1,007
Number of milk cows (thou.)	11,143	11,055	10,984	10,975	10,931	10,915	10,883	10,883	10,866	10,854
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	7.62	8.48	8.58	8.60	8.91	9.00	9.09	9.24	9.25	9.26
Price of 16% dairy ration (\$/ton)	134	141	140	149	136	134	135	137	136	140
Milk-feed price ratio (lb.) <sup>2</sup>	1.40	1.53	1.57	1.43	1.69	1.70	1.68	1.62	1.60	1.59
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	5,886	3,844	5,708	8,961	8,626	8,737	8,897	9,171	9,562	10,201
Commercial (mil. lb.)	5,576	3,719	5,299	6,525	4,916	5,229	5,148	4,838	5,144	5,448
Government (mil. lb.)	310	124	410	2,436	3,710	3,508	3,749	4,332	4,418	4,753
Imports, total milk equiv. (mil. lb.) <sup>3</sup>	1,669	1,943	1,968	147	228	157	152	125	127	—
<b>USDA net removals:</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	2,036	1,236	6,092	953.8	554.1	556.6	42.7	509.1	776.6	561.8
<b>Butter:</b>										
Production (mil. lb.)	983.8	978.6	1,085.6	93.0	108.3	95.7	97.7	98.6	96.7	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	163.8	184.9	195.7	215.9	235.6	245.6	264.6
Wholesale price, Grade A Chicago (cts./lb.)	79.4	92.0	98.4	100.7	100.7	100.7	101.2	105.2	106.7	106.7
USDA net removals (mil. lb.)	63.4	39.4	222.4	35.1	26.0	26.7	2.1	24.4	34.6	20.6
Commercial disappearance (mil. lb.)	951.0	919.0	859.2	44.8	65.3	64.2	107.8	70.6	58.8	—
<b>American cheese:</b>										
Production (mil. lb.)	1,654.6	2,048.8	2,042.4	201.3	163.6	154.3	182.9	190.8	208.2	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	490.3	422.1	412.8	389.5	374.9	389.8	407.8
Wholesale price, Wisconsin assembly pt. (cts./lb.)	86.6	96.3	96.8	97.4	100.1	100.8	101.4	102.6	102.6	102.6
USDA net removals (mil. lb.)	68.2	38.0	148.3	23.1	1.4	.3	-.4	1.8	6.0	13.6
Commercial disappearance (mil. lb.)	1,717.1	1,920.9	1,958.1	162.9	169.5	169.9	190.7	170.0	186.8	—
<b>Other cheese:</b>										
Production (mil. lb.)	1,156.8	1,274.1	1,315.5	114.6	110.5	106.3	128.9	115.4	120.5	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	67.0	64.0	65.8	54.5	65.7	68.4	70.2
Commercial disappearance (mil. lb.)	1,331.9	1,458.0	1,512.3	125.5	121.1	121.0	144.2	125.7	130.9	—
<b>Nonfat dry milk:</b>										
Production (mil. lb.)	1,001.5	926.2	1,106.0	130.2	79.7	70.6	84.4	96.4	103.0	—
Stocks, beginning (mil. lb.)	293.2	468.9	485.4	538.5	677.9	689.4	681.4	662.1	686.5	687.7
Wholesale price, avg. manf. (cts./lb.)	63.3	63.4	66.5	68.1	68.1	68.0	68.0	70.5	71.1	—
USDA net removals (mil. lb.)	394.4	157.1	464.3	78.2	29.1	22.6	12.1	27.6	51.5	54.0
Commercial disappearance (mil. lb.)	697.0	719.2	681.6	42.9	50.3	54.5	77.7	39.5	43.9	—
Frozen dessert production (mil. gal.) <sup>4</sup>	1,183.9	1,154.0	1,147.4	123.2	69.5	75.5	98.6	95.2	108.2	—

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of ration equal in value to 1 lb. of milk. <sup>3</sup> Milk equivalent, fat-solids basis. <sup>4</sup> Ice cream, ice milk, and sherbet.

## Poultry and eggs:

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
<b>Eggs</b>										
Farm production (mil.)	64,586	64,517	64,837	5,201	5,733	5,083	5,662	5,509	5,669	5,382
Average number of layers on farms (mil.)	278	274	275	267	285	281	278	276	275	272
Rate of lay (eggs per layer)	233	235	236	195	20.1	18.1	20.4	19.9	20.6	19.8
Cartoned price, New York, grade A										
large (cts./doz.) <sup>1</sup>	63.9	70.3	63.3	57.0	57.2	64.9	64.0	57.6	52.9	49.8
Price of laying feed (\$/ton)	147	151	152	162	147	146	149	154	155	157
Egg-feed price ratio (lb.) <sup>2</sup>	7.2	7.8	7.3	5.8	6.7	7.5	7.4	6.8	6.4	5.6
<b>Stocks, beginning of period:</b>										
Shell (thou. cases)	36	22	28	34	39	50	41	37	36	30
Frozen (mil. lb.)	54.2	36.3	26.1	28.0	29.7	28.1	25.7	22.9	23.2	24.5
Replacement chicks hatched (mil.)	454	492	502	44.7	36.8	37.1	47.0	51.4	53.6	45.5
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	7,966	8,987	9,227	843.7	781.4	715.7	830.0	769.1	902.6	—
Wholesale price, 9-city, (cts./lb.)	45.1	40.2	40.8	43.3	40.2	43.1	42.2	46.1	46.1	50.7
Price of broiler grower feed (\$/ton)	163	168	171	184	162	164	167	169	171	174
Broiler-feed price ratio (lb.) <sup>2</sup>	3.2	2.8	2.7	2.7	2.8	3.0	3.0	3.3	3.2	3.5
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	27.9	29.4	27.5	21.8	21.7	22.6	19.8
Average weekly placements of broiler chicks, 21 States (mil.)	57.7	63.6	66.7	71.2	67.7	69.0	71.7	74.7	76.8	76.9
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	1,716	1,950	1,892	176.5	81.8	59.7	86.3	80.8	129.3	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	53.2	48.7	54.0	50.0	60.5	59.2	60.9	59.2	61.3	63.6
Price of turkey grower feed (\$/ton)	167	174	184	196	177	177	179	183	184	186
Turkey-feed price ratio (lb.) <sup>2</sup>	4.2	3.7	3.9	3.5	4.3	4.2	4.2	4.1	4.3	4.4
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	138.2	167.9	168.3	136.6	112.9	101.1	103.6
Poults hatched (mil.)	137.1	149.5	148.4	18.8	11.8	13.7	18.1	19.1	20.7	18.8

<sup>1</sup> Price of cartoned eggs to volume buyers for delivery to retailers. <sup>2</sup> Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

## Meat animals:

	Annual			1977						
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) <sup>1</sup>	6,369	8,537	8,213	7,053	8,927	8,614	8,276	8,262	7,861	8,013
Placed on feed (thou. head) <sup>2</sup>	18,095	18,976	20,817	1,369	1,639	1,509	1,887	1,509	2,034	1,769
Marketings (thou. head)	14,988	18,167	18,720	1,479	1,740	1,666	1,698	1,695	1,677	1,647
Other disappearance (thou. head)	939	1,133	1,383	254	212	181	203	215	205	153
Beef steer-corn price ratio, Omaha (bu.) <sup>3</sup>	15.8	15.2	19.9	19.2	21.7	22.2	22.8	23.3	24.4	23.8
Hog-corn price ratio, Omaha (bu.) <sup>3</sup>	16.9	16.5	20.2	20.7	22.7	24.0	22.2	20.4	20.9	20.6
<b>Commercial slaughter (thou. head)</b>										
Cattle	40,911	42,654	41,856	3,628	3,468	3,268	3,468	3,180	3,435	3,257
Steers	17,819	18,879	19,342	1,810	1,606	1,555	1,661	1,507	1,656	1,540
Heifers	10,438	12,158	11,748	958	971	912	999	916	972	922
Cows	11,557	10,619	9,864	780	832	742	742	690	735	723
Bulls and stags	1,097	998	902	80	59	59	66	67	72	72
Calves	5,209	5,350	5,517	440	425	387	439	352	336	318
Sheep and lambs	7,835	6,714	6,356	570	438	402	502	450	468	457
Hogs	68,687	73,784	77,303	5,957	6,240	6,090	7,068	6,459	6,556	6,022
<b>Commercial production (mil. lb.)</b>										
Beef	23,673	25,667	24,986	2,182	2,077	1,953	2,074	1,910	2,066	1,960
Veal	827	813	794	66	62	56	60	50	52	47
Lamb and mutton	399	361	341	29	25	22	28	25	26	25
Pork	11,586	12,488	13,051	1,021	1,050	1,013	1,179	1,093	1,125	1,046
<b>Market Prices</b>										
				Dol. per 100 pounds						
<b>Slaughter cattle:</b>										
Choice steers, Omaha	44.61	39.11	40.38	40.24	43.62	45.02	48.66	52.52	57.28	55.38
Utility cows, Omaha	21.09	25.31	25.32	25.64	27.59	30.34	32.44	36.94	39.21	37.61
Choice vealers, S. St. Paul	40.44	45.18	48.19	51.60	40.50	43.75	47.60	69.45	77.26	73.28
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	33.91	39.40	40.19	39.90	44.07	47.60	52.00	55.08	60.36	58.56
<b>Slaughter hogs:</b>										
Barrows and gilts, No. 1&2, Omaha <sup>4</sup>	50.12	44.70	42.10	44.98	46.95	49.72	48.01	46.60	50.15	49.06
Barrows and gilts, 7-markets	48.32	43.11	41.07	43.86	45.99	48.83	47.50	46.04	49.17	48.31
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	44.80	36.54	35.42	35.18	35.88	44.12	51.63	54.57	54.08	45.36
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo	44.45	49.87	54.28	52.10	61.44	64.88	76.69	73.12	72.85	61.44
Ewes, Good, San Angelo	15.34	17.69	19.19	16.00	26.19	26.94	28.40	23.81	24.15	25.50
<b>Feeder lambs:</b>										
Choice, San Angelo	41.40	51.28	55.12	46.15	67.00	76.31	80.85	73.33	75.05	68.75
<b>Wholesale meat prices, Midwest<sup>5</sup></b>										
Choice steer beef, 600-700 lb.	72.55	60.99	62.67	62.62	68.74	71.08	74.88	81.43	88.48	85.95
Canner and Cutter cow beef	42.90	52.00	51.55	52.42	57.64	62.92	67.79	74.13	76.17	73.53
Pork loins, 8-14 lb.	92.69	86.45	83.04	87.94	91.60	92.63	90.04	89.29	97.70	100.54
Pork bellies, 12-14 lb.	78.52	65.27	54.19	58.51	59.37	67.14	74.58	70.61	66.97	56.87
Hams, skinned, 14-17 lb.	84.06	79.79	76.50	72.10	83.00	87.76	80.35	72.34	78.45	77.45

	Annual			1977				1978		
	1975	1976	1977	I	II	III	IV	I	II	III
<b>Cattle on feed (23-States):</b>										
Number on feed (thou. head) <sup>1</sup>	9,622	12,328	11,948	11,948	10,619	9,765	9,793	12,799	11,716	10,920
Placed on feed (thou. head) <sup>2</sup>	24,685	25,508	27,647	5,614	6,007	6,479	9,547	6,479	6,529	—
Marketings (thou. head)	20,500	24,170	24,861	6,462	6,147	6,159	6,093	6,773	6,591	—
Other disappearance (thou. head)	1,479	1,718	1,935	481	714	292	448	789	734	—
<b>Hogs and pigs (14-States):<sup>4</sup></b>										
Inventory (thou. head) <sup>1</sup>	47,170	41,855	47,120	47,120	44,100	46,640	49,233	48,308	44,680	47,025
Breeding (thou. head) <sup>1</sup>	6,283	6,368	6,788	6,788	7,016	7,352	7,200	7,324	6,930	7,405
Market (thou. head) <sup>1</sup>	40,887	35,487	40,332	40,332	37,084	39,288	42,033	40,984	37,750	39,620
Farrowings (thou. head)	8,417	9,996	10,506	2,304	2,893	2,605	2,565	2,285	2,865	2,685
Pig crop (thou. head)	60,476	72,580	75,217	15,586	21,386	18,804	18,421	15,626	20,685	—

<sup>1</sup> Beginning of period. <sup>2</sup> Other disappearance excluded in 1973; not comparable with 1974 and 1975. <sup>3</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>4</sup> 220-240 lb. <sup>5</sup> Prior to Oct. 1975, Chicago. <sup>6</sup> Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). <sup>7</sup> Intentions.

## Wool:

	Annual			1977						
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
<b>U.S. wool price, Boston<sup>1</sup> (cts./lb.)</b>	150	182	183	182	182	178	178	181	184	192
<b>Imported wool price, Boston<sup>2</sup> (cts./lb.)</b>	202	214	224	224	223	223	226	228	230	234
<b>U.S. mill consumption, scoured</b>										
Apparel wool (thou. lb.)	94,117	106,629	95,485	9,469	7,677	8,228	10,472	8,792	9,180	n.a.
Carpet wool (thou. lb.)	15,908	15,117	12,526	1,345	979	826	1,218	1,085	962	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

# Crops and Products

## Supply and utilization of major crops<sup>1</sup>

	Domestic measure <sup>2</sup>				Metric measure <sup>2</sup>			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Wheat:								
Mil. acres				Mil. hectares				
Area								
Planted	80.2	74.8	—	—	32.5	30.3	26.8	—
Harvested	70.8	66.2	—	—	28.7	26.8	22.9	—
Bu. per acre				Metric tons per hectare				
Yield per harvested unit	30.3	30.6	—	—	2.1	2.1	2.1	—
Mil. bu.				Mil. metric tons				
Beginning stocks	685	1,112	1,174	—	18.1	30.3	32.0	—
Production	2,142	2,026	1,802	+70 to -70	58.3	55.1	49.0	+1.9 to -1.9
Imports	3	2	2	—	.1	.1	.1	—
Supply, total	2,810	3,140	2,978	+70 to -70	76.5	85.5	81.1	+1.9 to -1.9
Domestic	748	842	745	+60 to -60	20.4	22.7	20.3	+1.6 to -1.6
Exports	950	1,124	1,100	+150 to -100	25.8	29.9	29.9	+4.1 to -2.7
Use, total	1,698	1,966	1,845	+175 to -175	46.2	52.7	50.2	+4.8 to -4.8
Ending stocks	1,112	1,174	1,133	+200 to -200	30.3	32.8	30.8	+5.4 to -5.4
Dol. per bu.				Dol. per metric ton				
Price received by farmers	2.73	<sup>3</sup> 2.31	2.70-3.25	—	100.31	<sup>3</sup> 84.88	99-119	—
Price, Kansas City, No. 1 HRW	2.88	<sup>4</sup> 2.72	—	—	105.82	<sup>4</sup> 99.94	—	—
Rice:								
Mil. acres				Mil. hectares				
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	.73	—
Planted	2.49	2.26	2.96	—	1.01	.92	1.20	—
Harvested	2.48	2.25	2.94	—	1.00	.91	1.19	—
Lb. per acre				Metric tons per hectare				
Yield per harvested unit	4,663	4,412	4,500	—	5.23	4.95	5.04	—
Mil. cwt.				Mil. metric tons				
Beginning stocks	36.9	40.5	27.5	—	1.67	1.83	1.25	—
Production	115.6	99.2	132.1	+8.0 to -8.0	5.24	4.50	5.99	+3.36 to -3.36
Imports	.1	—	—	—	.01	—	—	—
Supply, total	152.6	139.7	159.6	—	6.92	6.33	7.24	—
Domestic	42.7	44.2	45.0	+2.0 to -2.0	1.94	1.99	2.04	+0.09 to -0.09
Exports	65.6	68.0	67.0	+5.0 to -5.0	2.98	3.08	3.04	+2.3 to -2.3
Use, total	108.3	112.2	112.0	+7.0 to -7.0	4.92	5.07	5.08	+3.2 to -3.2
Ending stocks	40.5	27.5	47.6	+7.0 to -7.0	1.83	1.26	2.16	+3.32 to -3.32
Difference unaccounted	+3.8	—	—	—	+1.7	—	—	—
Dol. per cwt.				Dol. per metric ton				
Price received by farmers	7.02	<sup>3</sup> 9.43	6.50-7.50	—	154.76	<sup>3</sup> 207.89	143-165	—
Price, long-grain milled, S.W. La.	14.60	<sup>4</sup> 21.35	—	—	321.87	<sup>4</sup> 470.68	—	—
Feed grains:								
Mil. acres				Mil. hectares				
Area								
Planted	128.7	128.1	121.5	—	52.1	51.8	49.2	—
Harvested	106.3	107.0	103.0	—	43.0	43.3	41.7	—
Tons per acre				Metric tons per hectare				
Yield per harvested unit	2.01	2.07	2.06	—	4.50	4.66	4.61	—
Mil. short tons				Mil. metric tons				
Beginning stocks	19.0	33.0	47.5	—	17.2	29.9	43.1	—
Production	213.2	222.4	211.9	+16 to -16	193.4	201.8	192.2	+14.5 to -14.5
Imports	.4	.3	.3	—	.4	.3	.3	—
Supply, total	232.6	255.7	259.7	—	211.0	232.0	235.6	—
Feed	124.1	129.6	135.9	+11 to -11	112.6	117.6	123.3	+10.0 to -10.0
Food, seed, and industrial uses	19.7	20.4	20.8	—	17.9	18.5	18.9	—
Domestic, total	143.8	150.1	156.7	+11 to -11	130.5	136.1	142.2	+10.0 to -10.0
Exports	55.8	58.2	56.8	+5 to -5	50.6	52.8	51.5	+4.5 to -4.5
Use, total	199.6	208.2	213.5	+14 to -14	181.1	188.9	193.7	+12.7 to -12.7
Ending stocks	33.0	47.5	46.2	+9 to -9	29.9	43.1	41.9	+8.2 to -8.2

See footnotes at end of table.



# Supply and utilization of major crops<sup>1</sup>—Continued

	Domestic measure <sup>2</sup>				Metric measure <sup>3</sup>			
			1978/79				1978/79	
	1976/77	1977/78 estimated	Projected	Probable* variability	1976/77	1977/78 estimated	Projected	Probable* variability
<b>Corn:</b>								
			Mil. acres				Mil. hectares	
Area								
Planted	84.4	82.7	78.7	—	34.2	33.5	31.8	—
Harvested	71.3	70.0	68.2	—	28.9	28.3	27.6	—
			Bu. per acre				Metric tons Per hectare	
Yield per harvested unit	87.9	91.0	90.1	—	5.51	5.71	5.66	—
			Mil. bu.				Mil. metric tons	
Beginning stocks	399	884	1,171	—	10.1	22.5	29.7	—
Production	6,266	6,371	6,145	+470 to -470	159.2	161.8	156.1	+11.9 to -11.9
Imports	3	1	1	—	.1	( <sup>6</sup> )	.1	—
Supply, total	6,668	7,256	7,317	—	169.4	184.3	185.9	—
Feed	3,587	3,750	3,950	+300 to -300	91.1	95.2	100.3	+7.6 to -7.6
Food, seed, and industrial uses	513	535	550	—	13.0	13.6	14.0	—
Domestic, total	4,100	4,285	4,500	+300 to -300	104.1	108.8	114.3	+7.6 to -7.6
Exports	1,684	1,800	1,750	+150 to -150	42.8	45.7	44.5	+3.6 to -3.8
Use, total	5,784	6,085	6,250	+400 to -400	146.9	154.6	158.8	+10.2 to -10.2
Ending stocks	884	1,171	1,067	+150 to -250	22.5	29.7	27.1	+6.4 to -6.4
			Dol. per bu.				Dol. per metric ton	
Price received by farmers	2.15	<sup>3</sup> 2.03	2.10-2.30	—	84.64	<sup>3</sup> 80.70	83-91	—
Price, Chi., No. 2 yellow	2.30	<sup>4</sup> 2.28	—	—	90.55	<sup>4</sup> 89.76	—	—
<b>Soybeans:</b>								
			Mil. acres				Mil. hectares <sup>§</sup>	
Area								
Planted	50.2	59.1	64.3	—	20.3	23.9	26.0	—
Harvested	49.4	57.9	63.2	—	20.0	23.4	25.6	—
			Bu. per acre				Metric tons Per hectare	
Yield per harvested unit	26.1	29.6	28.5	+1.5 to -1.5	1.76	1.99	1.92	+1 to -1
			Mil. bu.				Mil. metric tons	
Beginning stocks	245	103	125	+15 to -15	6.7	2.8	3.4	+4 to -4
Production	1,288	1,716	1,800	+100 to -100	35.1	46.7	49.0	+2.7 to -2.7
Supply, total	1,533	1,819	1,925	+100 to -100	41.7	49.5	52.4	+2.7 to -2.7
Crushings	790	935	975	+50 to -50	21.5	25.4	26.5	+1.4 to -1.4
Exports	564	700	730	+50 to -50	15.3	19.0	19.9	+1.4 to -1.4
Seed, feed, and residual	76	59	75	—	2.1	1.6	2.0	—
Use, total	1,430	1,694	1,780	+75 to -75	38.9	45.1	48.4	+2.0 to -2.0
Ending stocks	103	125	145	+50 to -50	2.8	3.4	4.0	+1.4 to -1.4
			Dol. per bu.				Dol. per metric ton	
Price received by farmers	<sup>3</sup> 6.81	5.80	6.00	+1.00 to -1.00	<sup>3</sup> 250	213	220	+37 to -37
Price, Chi., No. 1 yellow	7.36	<sup>4</sup> 6.03	—	—	270.43	<sup>4</sup> 221.56	—	—
<b>Soybean oil:</b>								
			Mil. lb.				Thou. metric tons	
Beginning stocks	1,251	767	750	+100 to -100	567	348	340	+45 to -45
Production	8,578	10,333	10,525	+550 to -550	3,891	4,687	4,774	+49 to -49
Supply, total	9,829	11,100	11,275	+550 to -550	4,458	5,035	5,114	+249 to -249
Domestic	7,515	8,250	8,450	+500 to -500	3,409	3,742	3,833	+227 to -227
Exports	1,547	2,100	2,000	+300 to -300	702	953	907	+136 to -136
Use, total	9,062	10,350	10,450	+400 to -400	4,111	4,695	4,740	+181 to -181
Ending stocks	767	750	825	+200 to -200	348	340	374	+91 to -91
			Cts. per lb.				Cts. per kilogram	
Price, crude, Decatur	24.1	25	22	+5 to -5	52.9	55.1	48.5	+110 to -110
See footnotes at end of table.								

See footnotes at end of table.

# Supply and utilization of major crops<sup>1</sup>—Continued

	Domestic measure <sup>2</sup>				Metric measure <sup>3</sup>			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
<b>Soybean meal:</b>			Thou. short tons				Thou. metric tons	
Beginning stocks . . . . .	355	228	268	+50 to -50	322	207	243	+45 to -45
Production . . . . .	18,488	22,540	23,000	+1,200 to -1,200	16,772	20,448	20,865	+1,089 to -1,089
Supply, total . . . . .	18,843	22,768	23,268	+1,200 to -1,200	17,094	20,655	21,108	+1,089 to -1,089
Domestic . . . . .	14,056	16,500	16,900	+1,000 to -1,000	12,751	14,969	15,331	+907 to -907
Exports . . . . .	4,559	6,000	6,100	+400 to -400	4,136	5,443	5,534	+363 to -363
Use, total . . . . .	18,615	22,500	23,000	+1,000 to -1,000	16,887	20,412	20,865	+907 to -907
Ending stocks . . . . .	228	268	268	+75 to -75	207	243	243	+68 to -68
			Dol. per short ton				Dol. per metric ton	
Price, bulk, Decatur, 44% . . . . .	199.80	167.00	175.00	+25 to -25	220.26	—	193	+26 to -26
<b>Cotton:<sup>7</sup></b>			Mil. acres				Mil. hectares	
Area								
Planted . . . . .	11.7	13.7	13.1	+5 to -5	4.7	5.5	5.3	+2 to -2
Harvested . . . . .	10.9	13.3	12.5	+5 to -1.0	4.4	5.4	5.1	+2 to -2
			Lb. per acre				Metric tons per hectare	
Yield per harvested unit . . . . .	465	520	470	+30 to -30	.52	.59	.53	( <sup>6</sup> )
			Mil. 480-lb. bales				Mil. metric tons	
Beginning stocks . . . . .	<sup>4</sup> 3.7	<sup>4</sup> 2.9	5.6	+2 to -2	<sup>4</sup> .8	<sup>4</sup> .6	1.2	( <sup>6</sup> )
Production . . . . .	10.6	14.4	12.2	+8 to -1.4	2.3	3.1	2.7	+2 to -3
Supply, total <sup>8</sup> . . . . .	14.3	17.3	17.8	+8 to -1.4	3.1	3.8	3.9	+2 to -3
Mill use . . . . .	6.7	6.5	6.7	+4 to -4	1.5	1.4	1.5	+1 to -1
Exports . . . . .	4.8	5.5	5.5	+1.0 to -1.0	1.0	1.2	1.2	+2 to -2
Use, total . . . . .	11.5	12.0	12.2	+1.0 to -1.0	2.5	2.6	2.7	+2 to -2
Difference unaccounted <sup>1, 9</sup> . . . . .	.1	.2	.2	—	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
Ending stocks . . . . .	<sup>4</sup> 2.9	<sup>4</sup> 5.6	5.8	+1.2 to -1.2	<sup>4</sup> .6	<sup>4</sup> 1.2	1.3	+3 to -3
			Cts. per lb.				Cts. per kilogram	
Price received by farmers . . . . .	64.1	<sup>11</sup> 51.7	—	—	141.3	<sup>11</sup> 114.0	—	—
Price, SLM, 1-1/16 in., spot . . . . .	70.9	<sup>4</sup> 52.4	—	—	156.3	<sup>4</sup> 115.5	—	—

<sup>1</sup> Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. <sup>2</sup> Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds. 36,743.7 bushels of wheat or soybeans, 39,367.9 bushels of corn or sorghum, 49,929.6 bushels of barley, 69,894.4 bushels of oats, 22,046 cwt. of rice, and 4.59 480-pound bales of cotton. <sup>3</sup> Season average estimate. <sup>4</sup> Average for beginning of marketing year through June 1978. <sup>5</sup> Corn, sorghum, oats, and barley. <sup>6</sup> Less than 0.05. <sup>7</sup> Upland and extra long staple. <sup>8</sup> Based on Census Bureau data. <sup>9</sup> Includes imports. <sup>10</sup> Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. <sup>11</sup> Average to January 1, 1978.

\*Reflects the "root mean square error" and/or "standard error of estimate" from trend. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

## Feed grains:

	Marketing Year <sup>1</sup>			1977						
	1974/75	1975/76	1976/77	June	Jan	Feb	Mar	Apr	May	June
<b>Wholesale prices:</b>										
Corn, No. 2 yellow, Chicago (\$/bu.)	3.12	2.75	2.30	2.27	2.19	2.21	2.36	2.51	2.57	2.51
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.04	4.46	3.49	3.28	3.37	3.49	3.78	3.92	3.92	3.82
Barley, feed, Minneapolis (\$/bu.)	2.58	2.38	2.34	1.76	1.65	1.65	1.66	1.99	1.90	1.84
Barley, malting, Minneapolis (\$/bu.) <sup>2</sup>	4.16	3.52	3.13	2.38	2.26	2.33	2.32	2.44	2.51	2.39
<b>Exports:</b>										
Corn (mil. bu.)	1,149	1,711	1,684	127	128	129	158	162	208	*163
Feed grains (mil. short tons) <sup>3</sup>	39.4	55.1	55.8	4.0	4.2	4.3	5.1	5.1	6.4	*6.0
	Marketing Year <sup>1</sup>			1977				1978		
	1974/75	1975/76	1976/77	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
<b>Corn:</b>										
Stocks, beginning (mil. bu.)	484	361	399	4,890	3,293	2,365	884	5,463	3,842	2,800
<b>Domestic use:</b>										
Feed (mil. bu.)	3,226	3,592	3,587	1,070	550	808	1,236	1,077	575	—
Food, seed, ind. (mil. bu.)	451	490	513	127	96	169	125	130	97	—
<b>Feed grains:</b>										
Stocks, beginning (mil. short tons)	23.7	16.9	19.0	163.8	109.2	77.4	47.8	187.1	131.5	96.4
<b>Domestic use:</b>										
Feed (mil. short tons)	116.1	128.0	124.1	36.0	18.5	28.5	42.7	36.9	19.7	—
Food, seed, ind. (mil. short tons)	17.7	18.8	19.7	4.8	4.2	6.3	4.6	5.2	4.3	—

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> No. 3 or better, 65% or better plump beginning October 1977. <sup>3</sup> Aggregated data for corn, sorghum, oats, and barley. <sup>4</sup> Based on Inspections for Export. <sup>5</sup> Preliminary.

## Food grains:

	Marketing Year <sup>1</sup>			1977	1978					
	1974/75	1975/76	1976/77	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>2</sup>	4.20	3.74	2.88	2.31	2.82	2.84	3.07	3.21	3.12	3.12
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup>	4.57	3.74	2.96	2.43	2.73	2.72	2.86	3.08	3.10	3.06
Flour, Kansas City (\$/cwt.)	10.19	9.25	7.21	5.58	6.99	6.68	6.96	8.25	7.46	7.22
Flour, Minneapolis (\$/cwt.)	11.40	10.41	8.34	6.50	7.59	7.32	7.65	8.64	8.39	8.10
Rice, S.W. La. (\$/cwt.) <sup>3</sup>	21.50	17.20	14.60	16.25	24.00	24.00	23.75	23.50	22.00	21.50
Wheat:										
Exports (mil. bu.)	1,018	1,173	950	82	68	100	111	111	128	—
Mill grind (mil. bu.)	538	572	593	46	48	49	55	50	54	—
Wheat flour production (mil. cwt.)	239	255	263	21	22	22	24	23	24	—

	Marketing year <sup>1</sup>			1977	1978					
	1974/75	1975/76	1976/77	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	340	435	665	1,782	1,390	1,112	2,398	1,990	1,525	1,174
Domestic use:										
Food (mil. bu.)	521	559	553	138	82	182	148	146	94	—
Feed and seed (mil. bu.) <sup>4</sup>	151	163	195	75	44	178	35	42	18	—
Exports (mil. bu.)	1,018	1,173	950	179	152	382	225	279	238	—

<sup>1</sup>Beginning June 1 for wheat and August 1 for rice. <sup>2</sup>Ordinary protein. <sup>3</sup>Long-grain, milled basis. <sup>4</sup>Feed use approximated by residual.

## Vegetables:

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.65	5.90	5.52	6.86	4.02	3.92	3.79	4.67	3.62	11.62
Iceberg lettuce (\$/ctn.) <sup>1</sup>	2.70	3.57	3.23	2.68	5.68	4.27	3.66	9.77	6.49	6.95
Tomatoes (\$/ctn.) <sup>2</sup>	5.81	6.44	6.61	5.68	7.27	6.57	7.78	11.89	7.15	7.46
Wholesale price index, 10 canned veg. (1967=100)	168	160	170	176	167	168	165	166	168	170
Grower price index, fresh commercial veg. (1967=100)	173	173	198	150	207	201	209	296	247	273

<sup>1</sup>Std. carton 24's, f.o.b. shipping point. <sup>2</sup>2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

## Fruit:

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
Wholesale Price indexes:										
Fresh fruit (1967=100)	157.8	160.4	177.5	170.3	177.6	183.2	188.2	200.1	194.6	214.8
Dried fruit (1967=100)	213.4	234.9	336.4	357.2	285.8	284.3	284.3	285.1	291.2	292.0
Canned fruit and juice (1967=100)	173.8	174.4	190.4	190.7	202.7	204.1	204.9	205.7	207.4	210.3
Frozen fruit and juice (1967=100)	156.5	156.2	196.5	193.6	228.6	228.7	229.9	229.9	229.9	229.9
F.o.b. shipping point Prices:										
Apples, Yakima Valley (\$/ctn.) <sup>1</sup>	7.36	7.46	9.11	10.40	9.50	9.50	10.87	11.80	15.26	16.00
Pears, Yakima Valley (\$/box) <sup>2</sup>	6.63	7.35	6.94	—	8.64	9.06	11.17	14.63	19.25	—
Oranges, U.S. avg. (\$/box)	6.76	6.72	7.44	7.49	9.69	10.17	10.18	9.51	9.86	10.34
Grapefruit, U.S. avg. (\$/box)	6.18	5.76	6.34	6.82	5.91	5.91	5.83	5.66	5.63	7.41
Stocks, beginning:										
Fresh apples (mil. lb.)	2,214.1	2,569.3	2,249.0	329.3	2,138.0	1,656.5	1,171.1	750.0	431.1	185.7
Fresh pears (mil. lb.)	170.5	162.3	211.6	23.5	162.1	106.6	56.4	23.3	3.9	—
Frozen fruit (mil. lb.)	607.3	558.3	538.9	381.0	607.8	547.8	513.4	468.5	418.7	384.3
Frozen fruit juices (mil. lb.)	883.0	967.0	844.1	1,308.6	613.0	736.8	772.6	871.7	1,033.4	1,140.1

<sup>1</sup>Red Delicious, Washington extra fancy, carton tray pack. 80-125's: Regular storage through Feb., C.A. Storage beginning March. <sup>2</sup>D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's: Regular storage through Feb., C.A. Storage beginning March.



## Cotton:

	Marketing year <sup>1</sup>			1977	1978					
	1974/75	1975/76	1976/77	June	Jan	Feb	Mar	Apr	May	June
U.S. price, SLM, 1-1/16 in. (cts./lb.) <sup>2</sup>	41.7	58.0	70.9	61.1	51.1	52.9	55.0	54.7	57.6	57.4
Northern Europe prices:										
Index (cts./lb.) <sup>3</sup>	52.5	65.3	81.7	71.8	64.1	66.4	68.5	69.3	70.7	71.4
U.S., SM 1-1/16 in. (cts./lb.) <sup>4</sup>	56.4	71.4	82.4	72.5	64.8	66.0	68.3	69.4	72.1	72.4
U.S. mill consumption (thou. bales)	5,833.7	7,227.7	6,674.4	636.0	513.0	521.4	646.2	505.3	505.8	—
Exports (thou. bales)	3,925.9	3,311.3	4,783.6	486.0	516.4	527.8	741.9	672.9	537.5	—

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" Index; average of five lowest priced of 10 selected growths. <sup>4</sup> Memphis territory growths.

## Fats and oils:

	Marketing year <sup>1</sup>			1977	1978					
	1974/75	1975/76	1976/77	June	Jan	Feb	Mar	Apr	May	June
<b>Soybeans:</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.34	5.25	7.36	8.18	5.65	5.57	6.53	6.81	7.09	6.79
Crushings (mil. bu.)	701.3	865.1	790.2	56.2	85.3	75.4	86.5	80.1	82.7	—
Processing margin (\$/bu.) <sup>2</sup>	.17	.16	.19	.30	.32	.28	1.40	.14	.21	—
Exports (mil. bu.)	420.7	555.1	564.1	31.0	62.6	54.4	66.6	72.7	79.3	—
<b>Soybean oil:</b>										
Wholesale price, crude, Decatur (cts./lb.)	30.7	18.3	23.9	28.3	20.9	21.7	26.6	26.8	28.8	26.9
Production (mil. lb.)	7,375.3	9,629.8	8,577.9	631.1	911.9	809.4	943.3	866.9	908.1	—
Domestic disappearance (mil. lb.)	6,518.1	7,906.1	7,454.4	645.5	742.3	719.1	732.9	616.0	720.5	—
Exports (mil. lb.)	1,028.3	975.8	1,547.5	159.9	114.9	147.9	263.1	232.5	184.2	—
Stocks, beginning (mil. lb.)	793.5	560.6	1,250.6	1,355.0	859.2	913.8	856.5	803.8	822.2	825.6
<b>Soybean meal:</b>										
Wholesale price, 44% protein, Decatur (\$/ton)	130.86	147.77	199.80	226.30	162.20	152.90	171.90	173.00	177.40	169.75
Production (thou. ton)	16,701.5	20,754.2	18,488.1	1,339.5	2,006.7	1,778.4	2,050.0	1,903.3	1,959.4	—
Domestic disappearance (thou. ton)	12,601.3	15,551.6	14,000.8	1,116.4	1,381.5	1,335.8	1,340.9	1,163.1	1,476.8	—
Exports (thou. ton)	4,298.8	5,144.8	4,559.2	239.6	618.6	454.6	721.5	659.3	508.9	—
Stocks, beginning (thou. ton)	507.3	358.3	354.9	408.3	245.1	251.7	239.7	227.3	308.2	281.9
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	43.9	34.5	34.6	39.0	41.7	41.5	—

<sup>1</sup> Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. <sup>2</sup> Spot basis, Illinois shipping points.

## Sugar:

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
Wholesale price, N.Y. (\$/cwt.) <sup>1</sup>	22.47	13.31	<sup>3</sup> 10.99	10.28	—	—	—	—	—	—
U.S. deliveries (thou. short tons) <sup>1 2</sup>	9,974	10,856	<sup>4</sup> 11,210	1,027	764	772	927	853	<sup>4</sup> 937	<sup>4</sup> 998

<sup>1</sup> Raw value. <sup>2</sup> Excludes Hawaii. <sup>3</sup> Ten month average. <sup>4</sup> Preliminary.

## Tobacco:

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
<b>Prices at auctions:</b>										
Flue-cured (cts./lb.) <sup>3</sup>	99.8	110.4	117.6	—	—	—	—	—	—	—
Burley (cts./lb.) <sup>1</sup>	105.6	114.2	120.0	—	121.3	122.1	115.5	—	—	—
<b>Domestic consumption<sup>2</sup></b>										
Cigarettes (bil.)	588.3	617.1	<sup>3</sup> 592.0	55.1	48.4	49.3	55.3	50.3	54.4	—
Large cigars (mil.)	5,692	5,266	<sup>3</sup> 4,841	473.6	364.0	354.9	434.2	371.6	413.4	—

<sup>1</sup> Crop year July-June for flue-cured, October-September for burley. <sup>2</sup> Taxable removals. <sup>3</sup> Subject to revision.

## Coffee:

	Annual			1977	1978p					
	1975	1976	1977p	June	Jan	Feb	Mar	Apr	May	June
Composite green price, N.Y. (cts./lb.)	71.76	142.48	256.38	269.81	200.11	191.31	167.67	166.78	158.40	169.82
Imports, green bean equivalent (mil. lb.) <sup>1</sup>	2,767	2,717	1,974	169	228	217	230	218	185	n.a.
	Annual			1976	1977					
	1975	1976	1977p	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Roastings (mil. lb.) <sup>2</sup>	2,454	2,519	1,892	611	629	428	313	522	584	430

<sup>1</sup> Green and Processed coffee. <sup>2</sup> Instant soluble and roasted coffee. p preliminary. n.a. not available.

# General Economic Data

## Gross national product and related data

	First half			1976		1977				1978	
	1976	1977	1978	III	IV	I	II	III	IV	I	IIp
\$ bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product <sup>1</sup>	1,667.6	1,836.9	2,034.4	1,715.6	1,749.6	1,806.8	1,867.0	1,916.8	1,958.1	1,992.0	2,076.9
Personal consumption expenditures	1,064.4	1,178.2	1,300.4	1,098.4	1,133.7	1,167.7	1,188.6	1,214.5	1,255.2	1,276.7	1,324.0
Durable goods	153.4	174.4	190.4	156.7	162.8	173.2	175.6	177.4	187.2	183.5	197.3
Nondurable goods	433.8	469.8	510.0	444.5	458.3	465.9	473.6	479.7	496.9	501.4	518.6
Clothing and shoes	74.0	78.9	85.3	76.1	78.5	78.5	79.3	81.4	86.7	82.9	87.8
Food and beverages	221.7	241.0	262.0	227.4	232.3	237.5	244.5	246.4	252.6	257.7	266.2
Services	477.2	534.0	600.0	497.2	512.6	528.6	539.4	557.5	571.1	591.8	608.1
Gross private domestic investment	237.5	284.0	332.4	249.9	247.1	272.5	295.6	309.7	313.5	322.7	342.2
Fixed investment	224.1	270.4	313.8	235.3	247.6	262.2	278.6	287.8	300.5	306.0	321.5
Nonresidential	160.0	183.9	211.2	168.1	170.5	180.6	187.2	193.6	200.3	205.6	216.7
Residential	64.2	86.5	102.6	67.3	77.1	81.6	91.4	94.3	100.2	100.3	104.8
Change in business inventories	13.4	13.6	18.7	14.5	-6	10.3	17.0	21.9	13.1	16.7	20.7
Net exports of goods and services	10.0	-7.2	-19.0	6.9	2.8	-8.5	-5.9	-7.0	-23.2	-24.1	-13.9
Exports	157.6	174.5	190.6	168.2	169.4	170.9	178.1	180.8	172.1	181.7	199.4
Imports	147.5	181.7	209.6	161.3	166.6	179.4	184.0	187.8	195.2	205.8	213.3
Government purchases of goods and services	355.6	381.9	420.6	360.4	366.3	375.0	388.8	399.5	412.5	416.7	424.6
Federal	127.4	140.6	149.4	129.9	134.6	138.3	142.9	146.8	152.2	151.5	147.4
State and local	228.2	241.3	271.2	230.5	231.7	236.7	245.9	252.7	260.3	265.2	277.2
1972 \$ bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,261.8	1,316.1	1,366.4	1,276.5	1,284.0	1,306.7	1,325.5	1,343.9	1,354.5	1,354.2	1,378.5
Personal consumption expenditures	810.2	848.0	880.0	820.9	836.2	846.6	849.5	858.0	876.6	873.5	886.5
Durable goods	125.0	135.6	141.6	125.3	128.5	134.9	136.2	136.9	143.0	137.8	145.4
Nondurable goods	316.4	327.2	334.4	320.5	327.7	327.1	327.2	329.2	338.1	333.3	335.4
Clothing and shoes	63.5	65.0	68.3	64.2	65.7	64.9	65.1	66.2	70.2	66.8	69.7
Food and beverages	156.3	164.0	164.6	159.8	162.9	163.3	164.7	164.9	167.6	165.6	163.5
Services	368.8	385.3	404.0	375.1	380.0	384.6	386.0	391.8	395.6	402.4	405.7
Gross private domestic investment	171.6	191.6	208.8	177.1	173.4	186.1	197.1	201.7	200.3	205.7	211.8
Fixed investment	162.8	183.7	196.0	167.8	173.6	180.3	187.1	189.5	192.8	193.4	198.7
Nonresidential	116.6	128.0	136.2	121.0	121.4	126.8	129.1	130.8	132.5	133.8	138.6
Residential	46.2	55.8	59.8	46.8	52.3	53.5	58.0	58.8	60.3	59.5	60.1
Change in business inventories	8.8	7.9	12.7	9.3	-2	5.8	10.0	12.2	7.5	12.3	13.1
Net exports of goods and services	16.3	11.1	5.4	16.1	13.1	11.2	11.0	12.5	3.1	2.9	7.8
Exports	94.2	98.0	102.4	98.0	97.3	97.1	98.9	100.8	96.0	99.1	105.7
Imports	78.0	86.9	97.0	81.9	84.2	85.9	87.9	88.2	92.9	96.2	97.9
Government purchases of goods and services	263.8	265.4	272.2	262.5	261.3	262.8	267.9	271.7	274.5	272.1	272.4
Federal	96.0	100.0	99.2	96.8	97.5	98.7	101.3	102.9	103.6	101.2	97.3
State and local	167.7	165.4	173.0	165.7	163.8	164.1	166.6	168.8	170.9	170.8	175.1
New plant and equipment expenditures (\$ bil.)	116.42	132.20	146.56	122.55	125.22	130.16	134.24	140.38	138.11	144.25	148.88
Implicit price deflator for GNP (1972=100)	132.16	139.56	148.88	134.39	136.28	138.27	140.86	142.63	144.56	147.10	150.66
Disposable income (\$ bil.)	1,161.6	1,266.6	1,412.6	1,192.8	1,221.5	1,248.0	1,285.3	1,319.1	1,359.6	1,391.6	1,433.7
Disposable income (1972 \$ bil.)	884.0	911.7	956.0	891.5	900.9	904.8	918.6	931.9	949.6	952.1	960.0
Per capita disposable income (\$)	5,408	5,853	6,480	5,538	5,660	5,772	5,934	6,077	6,250	6,387	6,572
Per capita disposable income (1972 \$)	4,116	4,213	4,385	4,139	4,174	4,185	4,241	4,293	4,365	4,370	4,400
U.S. population, tot. incl. military abroad (mil.)	214.8	216.4	218.1	215.4	215.8	216.2	216.6	217.1	217.5	217.9	218.3
Civilian population (mil.)	212.6	214.3	216.0	213.2	213.7	214.1	214.5	214.9	215.4	215.8	216.2

See footnotes at end of next table.

## Selected monthly indicators

	January-June			1977	1978					
	1976	1977	1978p	June	Jan	Feb	Mar	Apr	May	June
Monthly data seasonally adjusted except as noted										
Industrial production, total <sup>2</sup> (1967=100) .....	128.3	135.3	141.7	137.8	138.8	139.2	140.9	143.0	143.8p	144.3p
Manufacturing (1967=100) .....	128.0	135.0	142.0	137.8	138.7	139.4	141.4	143.5	144.3	144.8p
Durable (1967=100) .....	119.8	127.0	134.9	130.5	131.1	131.5	134.4	136.9	137.6p	138.1p
Nondurable (1967=100) .....	139.9	146.6	152.1	148.4	149.8	150.6	151.4	152.8	153.9p	154.3p
Leading economic indicators <sup>1,3</sup> (1967=100) .....	123.2	128.9	135.1	129.7	133.7	134.4	134.5	135.7	135.8p	136.3p
Employment <sup>4</sup> (Mil. persons) .....	87.0	89.7	93.6	90.6	92.9	93.0	93.3	93.8	94.1	94.8
Unemployment rate <sup>4</sup> (%) .....	7.6	7.3	6.1	7.1	6.3	6.1	6.2	6.0	6.1	5.7
Personal income <sup>1</sup> (\$bil. annual rate) .....	1,350.1	1,489.6	1,655.7	1,517.4	1,615.5	1,625.0	1,646.3	1,670.2	1,681.4	1,695.8
Hourly earnings in manufacturing <sup>4,5</sup> (\$) .....	5.08	5.51	5.98	5.60	5.93	5.94	5.96	5.99	6.02	6.06p
Money stock (daily average) <sup>2</sup> (\$bil.) .....	299.8	317.7	—	324.3	340.1	339.9	340.9	346.3	348.6p	—
Time and savings deposits (daily average) <sup>2</sup> (\$bil.) .....	459.0	504.7	—	513.2	551.0	557.5	562.9	566.8	573.6p	—
Three-month Treasury bill rate <sup>2</sup> (%) .....	5.061	4.726	6.444	5.004	6.448	6.457	6.319	6.306	6.430	6.707p
Aaa corporate bond yield (Moody's) <sup>5,6</sup> (%) .....	8.54	8.02	8.56	7.95	8.41	8.47	8.47	8.56	8.69	8.76p
Interest rate on new home mortgages <sup>5,7</sup> (%) .....	8.94	8.98	9.29	8.98	9.15	9.18	9.26	9.30	9.37	9.46p
Housing starts, private (including farm) (thou.) .....	1,420	1,841	1,918	1,831	1,548	1,569	2,047	2,165	2,081p	2,099p
Auto sales at retail, total <sup>1</sup> (mil.) .....	10.2	11.4	—	11.7	9.8	10.5	11.8	12.5p	—	—
Business sales, total <sup>1</sup> (\$bil.) .....	196.3	219.1	—	222.6	230.2	238.3	242.7	250.9	251.4p	—
Business inventories, total <sup>1</sup> (\$bil.) .....	291.0	318.0	—	324.1	337.7	340.4	345.8	350.5	353.3p	—
Sales of all retail stores (\$bil.) <sup>4</sup> .....	52.3	57.5	62.7	57.8	59.9	61.7	62.7	64.1	63.9p	64.0p
Durable goods stores (\$bil.) .....	17.1	19.5	21.1	19.4	19.8	20.6	20.9	22.0	21.6p	21.5p
Nondurable goods stores (\$bil.) .....	35.2	38.0	41.6	38.4	40.1	41.1	41.8	42.1	42.3p	42.4p
Food stores (\$bil.) .....	12.0	12.8	14.1	13.0	13.6	13.9	13.9	14.2	14.3p	14.8p
Eating and drinking places (\$bil.) .....	4.7	5.2	5.7	5.3	5.4	5.5	5.8	5.8	5.8p	5.8p
Apparel and accessory stores (\$bil.) .....	2.7	2.7	2.9	2.7	2.7	2.8	2.9	3.0	3.0p	3.0p

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> Composite index of 12 leading indicators. <sup>4</sup> Department of Labor, Bureau of Labor Statistics. <sup>5</sup> Not seasonally adjusted. <sup>6</sup> Moody's Investors Service. <sup>7</sup> Federal Home Loan Bank Board. <sup>8</sup> Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary. Note: Total business sales and inventories revised beginning 1958.

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products

	Annual			1977	1978					
	1975	1976	1977	June	Jan	Feb	Mar	Apr	May	June
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.) .....	4.16	3.65	2.85	2.56	3.25	3.29	3.43	3.67	3.48	3.52
Corn, f.o.b. vessel, Gulf ports (\$/bu.) .....	3.10	2.91	2.49	2.45	2.57	2.71	2.80	3.04	2.97	2.81
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.) .....	2.95	2.73	2.30	2.24	2.35	2.39	2.52	2.72	2.79	2.58
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.) .....	5.72	6.07	7.38	8.50	6.24	6.33	7.20	7.54	7.78	7.25
Soybean oil, Decatur (cts./lb.) .....	25.39	18.05	23.69	28.34	20.91	21.65	26.62	26.80	28.79	26.87
Soybean meal, Decatur (\$/ton) .....	124.05	155.82	192.17	225.30	162.20	152.90	171.90	173.00	177.40	169.75
Cotton, 10 market avg. spot (cts./lb.) .....	44.70	67.70	60.48	61.08	51.05	52.89	55.01	54.72	57.59	57.44
Tobacco, avg. Price of auction (cts./lb.) .....	103.50	105.73	114.24	111.09	117.76	117.30	115.70	117.00	117.01	116.97
Rice, f.o.b. mill, Houston (\$/cwt.) .....	21.28	16.17	16.96	16.25	25.00	25.00	24.10	23.25	22.10	21.75
Inedible tallow, Chicago (cts./lb.) .....	12.04	13.27	13.61	14.69	13.62	14.12	15.44	15.75	15.75	16.00
Import commodities:										
Coffee, N.Y. spot (cts./lb.) .....	.77	1.42	2.41	2.80	2.09	2.03	1.79	1.72	1.67	1.72
Sugar, N.Y. spot (cts./lb.) .....	22.47	13.31	10.99	10.28	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cow meat, f.o.b. port of entry (cts./lb.) .....	60.20	71.69	68.42	66.28	77.81	86.80	90.70	101.50	102.10	90.20
Rubber, N.Y. spot (cts./lb.) .....	30.60	39.59	41.59	39.04	43.51	44.76	45.36	44.30	45.60	49.24
Cocoa beans, N.Y. (\$/lb.) .....	.56	.94	1.72	1.95	1.31	1.28	1.54	1.53	1.41	1.35
Bananas, f.o.b. port of entry (\$/40-lb. box) .....	4.41	4.67	4.17	5.17	4.65	5.50	6.40	6.61	6.50	4.63
Canned Danish hams, ex-warehouse N.Y. (\$/lb.) ..	1.75	1.75	1.85	1.83	2.07	2.07	2.07	1.94	1.87	1.94
Quantity Indices										
Export (1967=100) .....	156	174	177	159	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100) .....	123	138	138	143	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unit Value Indices										
Export (1967=100) .....	221	207	210	222	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100) .....	203	217	235	263	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. not available.



## U.S. agricultural exports

	October-May				May			
	1976/77	1977/78	1976/77	1977/78	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live; excl. poultry	—	—	61,224	70,991	—	—	6,557	7,202
Meat and preps., excl. poultry (mt)	282	269	402,887	435,075	34	34	53,595	61,736
Dairy products, excl. eggs	—	—	97,320	101,637	—	—	13,672	20,758
Poultry and poultry products	—	—	190,319	228,385	—	—	27,252	27,943
Grains and preparations	—	—	6,384,481	6,536,210	—	—	751,946	1,166,260
Wheat and wheat flour (mt)	14,521	19,717	1,889,487	2,361,787	1,908	3,384	223,677	432,162
Rice, milled (mt)	1,393	1,272	421,424	482,808	232	155	70,309	67,631
Feed grains (mt)	35,438	34,897	3,910,997	3,511,558	4,059	5,767	439,667	628,310
Other	—	—	162,573	180,057	—	—	18,293	28,167
Fruits, nuts, and preparations	—	—	851,403	815,034	—	—	74,628	95,278
Vegetables and preparations	—	—	508,966	420,939	—	—	67,056	66,173
Sugar and preps., incl. honey	—	—	44,617	47,219	—	—	5,652	5,687
Coffee, tea, cocoa, spices, etc. (mt)	27	38	80,537	118,701	3	5	9,455	16,741
Feeds and fodders	—	—	1,153,032	1,150,923	—	—	170,766	144,375
Protein meal (mt)	3,323	4,131	726,450	793,838	433	485	115,204	102,852
Beverages, excl. distilled alcoholic (hl)	306	397	15,586	18,883	51	107	2,481	4,471
Tobacco, unmanufactured (mt)	197	196	714,152	802,405	17	16	60,080	63,779
Hides, skins, and furskins	—	—	582,374	578,896	—	—	59,897	72,126
Oilseeds	—	—	3,781,479	3,896,415	—	—	563,625	643,883
Soybeans (mt)	12,671	14,913	3,541,494	3,508,075	1,501	2,158	528,051	583,053
Wool, unmanufactured (mt)	2	3	17,155	22,669	1	1	3,823	4,525
Cotton, unmanufactured (mt)	699	872	1,134,322	1,139,171	87	117	143,050	143,791
Fats, oils, and greases (mt)	919	875	366,700	363,784	113	94	50,379	41,691
Vegetable oils and waxes (mt)	833	1,178	494,474	626,091	125	187	84,769	84,637
Rubber and allied gums (mt)	13	5	15,850	7,013	2	( <sup>1</sup> )	2,507	396
Other	—	—	396,444	490,564	—	—	45,151	67,157
Total	—	—	17,093,322	17,871,005	—	—	2,196,341	2,728,609

<sup>1</sup> Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb., 1 hectoliter (hl) = 100 liters = 26.42008 gal.

## U.S. agricultural exports by regions

Region <sup>1</sup>	October-May		May		Change from year-earlier	
	1976/77	1977/78	1977	1978	Oct-May 1977/78	May 1978
	\$ Mil.				Pct.	
Western Europe	5,709	5,964	837	740	-11	-12
Enlarged European Community	5,456	4,642	675	600	-15	-11
Other Western Europe	1,252	1,322	162	140	+6	-14
Eastern Europe and USSR	1,382	1,830	110	399	+32	+263
USSR	905	1,268	57	279	+40	+390
Eastern Europe	476	562	53	120	+18	+126
Asia	5,535	6,070	733	868	+10	+18
West Asia	699	769	114	136	+10	+19
South Asia	445	408	80	82	-8	+3
Southeast Asia, ex. Japan and PRC	1,610	1,888	223	260	+17	+17
Japan	2,780	2,853	316	375	+3	+19
Peoples Republic of China	( <sup>2</sup> )	152	( <sup>2</sup> )	14	—	—
Latin America	1,240	1,613	184	319	+30	+73
Canada, excluding transshipments	1,083	992	147	146	-8	-1
Canadian transshipments	204	320	35	116	+57	+231
Africa	846	978	138	127	+16	-8
North Africa	502	569	84	63	+13	-25
Other Africa	343	408	54	64	+19	+19
Oceania	94	104	12	13	+11	+8
Total <sup>3</sup>	17,093	17,871	2,196	2,728	+5	+24

<sup>1</sup> Not adjusted for transshipments. <sup>2</sup> Less than \$500,000. <sup>3</sup> Totals may not add due to rounding.

# World Agricultural Production

## World supply and utilization of major crops

	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79 <sup>1</sup>
	Mil. units					
<b>Wheat:</b>						
Area (hectare) .....	216.6	220.4	225.0	232.5	225.1	226.6
Production (metric ton) .....	372.2	357.1	350.0	415.1	381.6	406.1
Exports (metric ton) .....	72.6	68.0	73.7	70.0	74.3	73.0
Consumption (metric ton) <sup>2</sup> ..	364.0	363.6	353.2	375.9	390.6	401.2
Ending stocks (metric ton) <sup>3</sup> ..	69.3	62.8	59.4	98.5	89.4	94.3
<b>Coarse grains:</b>						
Area (hectare) .....	341.6	339.6	349.5	351.8	351.2	352.2
Production (metric ton) .....	667.8	628.0	644.5	701.7	694.9	701.7
Exports (metric ton) .....	80.9	69.5	87.8	88.5	92.1	87.5
Consumption (metric ton) <sup>2</sup> ..	672.2	632.9	644.2	680.1	685.0	697.4
Ending stocks (metric ton) <sup>3</sup> ..	59.8	54.9	55.1	76.7	86.6	90.9
<b>Rice, rough:</b>						
Area (hectare) .....	135.8	138.0	143.1	141.6	143.5	—
Production (metric ton) .....	329.7	336.8	360.6	349.0	363.0	—
Exports (metric ton) .....	11.4	11.0	11.9	14.2	13.0	—
Consumption (metric ton) <sup>2</sup> ..	327.0	336.6	355.4	350.3	355.7	—
Ending stocks (metric ton) <sup>3</sup> ..	17.9	18.2	23.4	22.1	29.3	—
<b>Total grains:</b>						
Area (hectare) .....	694.0	698.0	717.6	725.9	719.8	—
Production (metric ton) .....	1,369.7	1,321.9	1,355.1	1,465.8	1,439.5	—
Exports (metric ton) .....	164.9	148.6	173.4	172.7	179.4	—
Consumption (metric ton) <sup>2</sup> ..	1,363.2	1,333.1	1,352.8	1,406.3	1,431.3	—
Ending stocks (metric ton) <sup>3</sup> ..	147.0	135.9	137.9	197.3	205.3	—
<b>Oilseeds and meals:<sup>4, 5</sup></b>						
Production (metric ton) .....	68.3	64.3	72.7	66.5	77.0	—
Trade (metric ton) .....	27.3	27.6	33.6	33.8	35.7	—
<b>Fats and oils:<sup>6</sup></b>						
Production (metric ton) .....	47.4	46.5	49.8	47.8	51.1	—
Trade (metric ton) .....	13.6	13.7	15.8	16.4	17.3	—
<b>Cotton:</b>						
Area (hectare) .....	32.8	33.4	29.8	30.8	33.1	—
Production (bale) .....	63.2	64.4	54.3	58.2	63.9	—
Exports (bale) .....	19.6	17.4	19.2	17.5	19.0	—
Consumption (bale) .....	62.0	58.6	61.8	61.6	61.0	—
Ending stocks (bale) .....	25.1	31.0	23.3	20.7	23.3	—

<sup>1</sup> Forecast. <sup>2</sup> Where stock data not available (excluding USSR), consumption includes stock changes. <sup>3</sup> Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. <sup>4</sup> Soybean meal equivalent. <sup>5</sup> Calendar year data. 1972 data corresponds with 1971/72, 1973 data with 1972/73, etc..

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